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JPRS Report

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BULGARIA

Contemporary Views of Stalinist Purge Victim Explored

22000022 Sofia *POLITICHESKA PROSVETA*
in Bulgarian Sep 88 pp 124-128

[Book review by researchers Georgi Mitov, MA (History), and Yordan Yanev, MA (History): "Articles, Correspondence, and Recollections of Traycho Kostov"]

[Text] For a quarter of a century, the name of Traycho Kostov was inseparably linked to the revolutionary workers' and communist movement in Bulgaria. His most active political work coincided with the years in which the Bulgarian Communist Party (BCP) was placed in extremely difficult circumstances. Declared outside the law, subjected to a cruel terror, the party continued to work underground. It was precisely in this complex setting that Traycho Kostov displayed his exceptional talent as an ideologue and organizer, a brilliant publicist and experienced conspirator. His were immense services to the successful execution of profound revolutionary transformations in Bulgarian society after the victory of the 9 September uprising in 1944. All this earned Traycho Kostov a deserved place among the most notable activists of the BCP, among the most brilliant political personalities of Bulgaria's most recent history.

In the years following the April plenum of the BCP Central Committee (CC) in 1956, when the pure name of Traycho Kostov was restored, the Bulgarian public had an opportunity to acquaint itself with a significant part of its inheritance.¹ But it was as if history had not paid off its debts to this exceptional individual, had not dispersed all the doubts spread about him in 1949, doubts that became the reason for the tragic end of his life.

In 1987 the 90th anniversary of the birth of Traycho Kostov was marked by celebration. With the publication of a two-volume collection "Traycho Kostov—Articles, Correspondence, Recollections"² on this occasion, a great, new step has been taken towards a fuller and more complete elucidation of the fascinating personality of this remarkable communist, politician and statesman, and of his political and theoretical work.

The editorial team under the leadership of the distinguished historian Corresponding Member Professor Mito Isusov has succeeded in creating an original composition that uncovers in its entirety the social and political work of Traycho Kostov. A large part of the documents included in the collection have been published for the first time. They are grouped in three large sections, depending on their nature, genre and content: articles, reports and speeches, and letters, brought together in the first volume; and recollections of Traycho Kostov, comprising the contents of the second volume.

The collection came to light from the biographical study "The Communist in History", authored by Corresponding Member Mito Isusov. It traces the major aspects of the life and activity of the distinguished revolutionary and party leader. Written in a lively and absorbing manner, peppered with interesting information drawn from numerous archival documents, the study represents an unquestionable scientific contribution towards the exploration of Traycho Kostov's personality. Against a background of historical facts, the reader is convinced that the growth and confirmation of Traycho Kostov as one of the best known and authoritative party activists, and a talented state leader are a natural and logical result of the development of his personal qualities—diligence, determination, clearness of purpose, aspiration to constant perfection.

The study essentially expands our knowledge of Traycho Kostov's life and revolutionary work and, so to speak, recalls a long-standing task—writing a biographical sketch of him—assigned to Bulgarian historians as early as 1963 when the BCP CC confirmed the resolution for his rehabilitation.

At the beginning of the first volume, divided into two primary sections, five documents are included that quite strikingly characterize Traycho Kostov's personality and simultaneously illustrate this exceptional man's reverses of fortune. The warm words and great recognition of Traycho Kostov's services and capabilities, contained in the welcome extended to him by the Bulgarian Workers' Party (Communists) (BWP(C) CC on the occasion of his 50th birthday, and the sincere telegram sent by the Fatherland Front National Council for his 51st birthday, mournfully confirmed in the decree with which, in 1963, he was posthumously honored with the title "Hero of Socialist Labor."

Two other documents provoke emotion and profound reflection: Traycho Kostov's autobiography, written in Moscow on 18 March 1933 when he was working at the Comintern, and, placed immediately after that, an investigation protocol of his interrogation by the police in 1942. It would scarcely be possible to find a more convincing manner in which to demonstrate the exceptional human qualities inherent in Traycho Kostov than the comparison of these two documents offered to us by the editors of the collection. The contrast between their contents, and between the conditions in which they were composed, will force the most biased reader to stop and think and discover for himself the answers to many of the ridiculous questions and implications that for decades unjustifiably accompanied the name of the distinguished revolutionary.

In his autobiography, in the laconic manner that is characteristic of his style, restrained, but without demonstrative modesty, Traycho Kostov describes and evaluates his revolutionary work as a communist and party leader. "I believe," we read in the autobiography "that there are no interruptions in my party work, since

party work was conducted even in prison. On the whole, I always moved in step with the party and the party's general line, even though mistakes were made on some issues." (Volume 1, pp 37-38). The police protocol presents to us the experienced conspirator Traycho Kostov, who, in an extreme situation, in the hands of the police, subjected to cruel inquisitions, did not make a single confession, did not give a single name. What becomes apparent from this short document is Traycho Kostov's broad legal knowledge, his skill at deft maneuvering to avert the most dangerous accusations and avoid the blows of the most severe clauses of the Law for the Defense of the State, while at the same time not rejecting his communist convictions.

In the section containing articles, reports and speeches, the editors have selected a small number of interesting documents reflecting Traycho Kostov's activity and role at two critical periods in the development of the communist movement in Bulgaria: overcoming leftist sectarianism, and the revolutionary transformation of Bulgarian society after the victory of 9 September 1944.

The articles "A New Course," "The September Uprising," "Towards a United Front of the Proletariat and Proletarian Unity," and "Towards Full Unity in the Party," written during the period August 1935 to February 1936, are dedicated to the issue of the need to develop and put into practice a new party course, in accordance with the actual situation that had arisen in the country after the fascist coup on 19 May. That was the time when, according to a resolution of the bureau in exile, Traycho Kostov sojourned illegally in Bulgaria and actively worked on the preparation of the sixth plenum of the CC, at which the party liberated itself from leftist sectarian remains and armed itself with a true political line, based on the resolutions of the seventh congress of the Comintern. An eloquent testimony to the manner in which Traycho Kostov coped with his assigned task is his report to the Comintern executive committee secretariat on the work and resolutions of the sixth plenum of the BCP CC, which is dated 10 July 1936. In this document, against the background of an unfolding picture of the political situation in the country, he explained in detail the issues discussed at the plenum, clearly and accurately outlined the problems the party was coming up against in bringing about a workers' and people's antifascist front.

The early years after the 9 September uprising were the time of Traycho Kostov's most active and varied expression as an experienced leader and brilliant organizer. He accepted the responsibilities of first (political) secretary of the BCP(C) CC, with renewed strength he displayed his inexhaustible intellectual and organizational skills. Consolidation of the party during its transition from illegality to legality, development of a realistic party line directed to creating a new social and political system, consolidation of the Otechestven Front, reconstruction of the army, economic restoration of the country—these are only some of the great tasks the resolution of which was chiefly a result of the political efforts, the knowledge

and erudition, the experience and perspicacity of Traycho Kostov. We can find evidence of this in documents from this period included in the collection.

A clear illustration of Traycho Kostov's skill at drawing accurate and deep analyses and evaluations of the disposition of political forces, formulating precisely the most important political tasks facing the party, and developing practical activities to resolve them is to be found in his reports to the conference of the Sofia oblast organization of the BWP(C) on 25 September 1944 and particularly those reports to the eighth and ninth plenum of the party CC in February/March and December 1945.

Traycho Kostov's articles and speeches "Georgi Dimitrov—Beloved Son of the Bulgarian People," "The People's Army—Guardian of Freedom, Independence and Democracy," and "Profound Love for the Great Slavic Nation" complement our picture of him as an active party and state activist, a staunch and sincere friend of the Soviet Union, a talented publicist. His words about his comrades-in-arms, outstanding activists of the BCP—Anton Ivanov, Petur Bogdanov, Anton Popov, Atanas Romanov, and Nikola Vaptsarov—are moving. They are in his article "Two Historical Trials," which he wrote on the occasion of the third anniversary of their execution. In his account of these tragic days, Traycho Kostov convinces us that historical justice will always adorn their heroic deed: "It would be unjust to pass over in silence the fact that a considerable number of the defendants, including those condemned to death, had not been able to endure the frightful inquisitions and had made confessions. But in court they conducted themselves well, and the condemned met their death like heroes, with a song on their lips." (Volume I, p 144).

Acquaintance with the contents of the materials from the section containing articles, reports and speeches convincingly shows yet again the absurdity of the accusations made against Traycho Kostov in 1949—sabotage of the new Dimitrov course, treason, anti-Sovietism, and nationalism.

Traycho Kostov's correspondence is arranged in several groups. The first of these includes his letters and radiograms to the bureau in exile of the BCP CC in Moscow for the period December 1937 to December 1940, altogether 23 letters that have been published for the first time. They contain interesting and varied information on the political situation in the country. Of great value are the analyses and evaluations that Traycho Kostov made on the participation of the BCP in the electoral struggle in 1937 and 1938, the interrelations of the political forces at the time of the parliamentary elections, and the organization and conduct of the Sobolev action. The thorough and precise work of the editors in deciphering and processing these documents is impressive since the documents were executed with many pseudonyms and complex texts with the aim of avoiding any possible leaks of secret information to the police. This provides an opportunity to sense the complex conditions

in which the party worked and the significance of the connections and cooperation between the domestic leading party agencies and those in exile.

The reader remains deeply impressed by the radiograms and letters exchanged between Traycho Kostov and Georgi Dimitrov in the first days and months after the 9 September victory. As we know, at that time the BWP(C) CC established a constant radio link to Georgi Dimitrov, who remained in Moscow until the beginning of November 1945. Traycho Kostov regularly informed Georgi Dimitrov of the situation in the country, of changes beginning in the internal political setting, of the complex tasks that the party was coming up against, and the new Otechestven Front government. Based on the rich and varied information arriving from Bulgaria, Georgi Dimitrov proposed accurate solutions and valuable advice and instructions on a number of important issues connected with consolidation of the people's democratic power and the further expansion of the revolutionary transformations.

The letters and radiograms that the two party leaders exchanged are a clear illustration of the exceptional and crucial character of this period that was so rich in important historical events, witness to the dynamics of the revolutionary time. On the other hand, these documents reflect the comradely relations, free of any conventions, between coworkers united by a great deed—the creation of a new, just, socialist society.

Irrespective of the fact that the correspondence between Traycho Kostov and Georgi Dimitrov has been published earlier, the editorial group's idea to include it in the collection is a good one. In this way, against the background of joint work with Georgi Dimitrov, Traycho Kostov's role as political secretary of the BWP(C) CC is allowed to stand out clearly. At the same time, his letters and radiograms provide strong evidence of his exceptional intellect and his rich and precise mind. Written in a short time, often several in a day, they impress with their conciseness and their clarity, without corrections or erasures. In this we may be sure, looking at the facsimiles of these documents that comprise the collection.

For the first time, in this publication, the personal correspondence between Traycho Kostov and his wife Lyuba Topencharova-Kostova has a place, as do his letters to their son Boyko. Having spent eight years in prison, Traycho Kostov retained his strong spirit. His letters influence us with the thoughts and feelings of the great revolutionary, separated not only from his loved ones but also from the revolutionary struggle that had become the meaning and content of his life.

Traycho Kostov's correspondence with his loved ones allows us to add new shades to his image, to peer into his intimate world and touch the spiritual world of the man and the communist. In the hard prison life, the greatest joy are the letters of his dear Lyuba, full of tenderness

and warmth. Traycho Kostov awaits with trepidation the short visiting hours with her that fill him with "new strength and inspire him with the desire for life, struggle and happiness."

The first volume concludes with Traycho Kostov's letters to his son, written at a different time and from different places during the period 1940 to 1948. In them we discover the gentle and loving father who yearns for the little Boyko. The fatherly advice and direction contained in the letters is interwoven with precious reflections on life: "And how much patience and how much faith in tomorrow are necessary, so that through today's difficulties and adversities you can see the noble goal to which you aspire! How much will and how much determination and perseverance a man must possess so as not to let himself be uncertain and frustrated, deprived of faith in times of inevitable difficulties and individual setbacks!" (Volume I, pp 465-466).

The second volume of the collection is composed entirely of recollections of Traycho Kostov. A significant part of them have been prepared especially for this publication, giving us for the first time the opportunity to become acquainted with the personality of the great revolutionary through the eyes of his friends, coworkers and comrades-in-arms. The interesting selection and highly professional processing of the recollections allows the reader to construct for himself an imperceptible notion of the image of Traycho Kostov, to discover his exceptional human qualities, to be convinced that the high praise he received while still living was entirely deserved and just. He impressed his contemporaries above all by his hard will, his iron determination and sense of purpose, and his capacity for work. "He displayed unsuspected strength for responsible and strenuous work," recalls Iliya Dobrev. "In every difficult situation, without showing the feelings that governed him at the moment, he never disturbed the usual rhythm of work." (Volume II, p 100).

Arranged in chronological order, the recollections give us the opportunity to experience, together with their authors, the alarming moments of Traycho Kostov's arrest in the underground apartment on Pataritsa Street, to sense the horror of the fearful inquisitions, which he endured stoically, and to feel the tense expectations that filled the days of the trial.

In many of the recollections Traycho Kostov's long prison days are described, days that he put to valuable use to expand his theoretical knowledge and cultural interests and to politicize and educate his comrades in destiny.

A number of interesting episodes in Traycho Kostov's activities as a party and state activist, recreated by his contemporaries, witness the fact that he remained the same restrained and even-tempered man who continued to work persistently and tirelessly. "When he had to

prepare some important document, speech, or something similar," recalls his secretary, Asen Grigorov, "none of us realized that Traycho had serious and responsible work. He took some information and prepared his report as he was writing in shorthand. There was no need for us to type it. The whole thing was carried on without a word." (Volume II, p 100). The specific events described convincingly show his exceptional modesty, intellectual honesty, and adherence to communist principles.

In the published recollections, for the first time we discover the moving lines that describe the last moments of the heroic life of the great revolutionary. Despite the cruel and deliberate aspersions, Traycho Kostov remained true to the end to the communist ideal.

Rich and varied in its contents, the collection is an indisputable success in publishing the theoretical and documentary inheritance of distinguished activists of the BCP. The new publication allows the historical truth about the personality and work of Traycho Kostov to be known.

Footnotes

1. Kostov, T. "Izbrani statii, dokladi, rechi." Sofia, 1964; Kostov, T. Izbrani proizvedeniya. Sofia, 1978.
2. "Traycho Kostov—publitsistika, korespondentsiya, spomeni za nego." Volumes I and II, Sofia, Partizdat, 1987. Mito Isusov (editor in chief), Stavri Georgiev, Boyko Kostov, Krustan Andonov, Kostadinka Ivanova (eds)

CZECHOSLOVAKIA

Restrictions Imposed on Tourist Shoppers

29000005 Paris *LE MONDE* in French 25 Nov 88 p 5

[Article by Sylvie Kauffmann: "Poles Unwelcome in Czechoslovak Shops"]

[Text] It has not yet assumed the proportions of the Hungaro-Rumanian conflict, but the stress is increasing substantially between two other "fraternal" countries, Poland and Czechoslovakia, with a few little favors for the GDR.

The starting point for this bitterness is the Polish custom of going to neighboring countries that have better supplies of consumer goods to stock up. As shortages worsened in Poland, the supplies imported from Czechoslovakia, the GDR or Hungary—to a lesser extent, for the prices there are very high—by Polish travelers have become more and more impressive. The Czech authorities, in their turn faced with shortages, their people having enjoyed a relative abundance until now, accordingly decided to put a stop to it by imposing strict customs inspections since 15 November.

The immediate result was endless lines of cars piled up at the borders while trains were from 4 to 5 hours late. The Silesia which links Prague and Warsaw now arrives 5 hours late and the famous train Chopin Vienna-Warsaw was 4 hours and 40 minutes late on arriving Saturday. The Czech customs officers confiscated tons of goods on the trains, with special emphasis on coffee, tea, chocolate, bananas, toilet paper, shoes and children's clothing.

In the same vein, the GDR press considered it advisable to point out Friday that if they are fully applied, the GDR customs regulations can be even stricter than the Czechoslovakian.

These blasts aimed at the Polish comrades have aroused unanimous protests—for once—in Warsaw, where the Czechoslovak ambassador was summoned Monday to the Ministry of Foreign Affairs to be lectured on these "incomprehensible practices." The Polish press and television then took up the cudgels, while the small private businessmen in Warsaw began to predict a future flare up of prices if they could no longer get supplies in Prague. Everybody is shocked.

One Pole out of four now favors "limiting cooperation with the GDR and Czechoslovakia," the head of the public polling institute, Colonel Kwiatkowski announced on television Tuesday evening. It is quite simple, he continued, if you take the temperature of neighboring countries in Polish public opinion, you get the following results: 15 degrees for Austria, 6 for Czechoslovakia and 0 for the GDR.

Criticism of "fraternal" countries has only rarely been so open in Poland. The evening daily *KURIER POLSKI* declared ironically Tuesday "O tempora, o mores," [Oh the times! Oh the customs!] stressing that the GDR which wants to limit the export of consumer goods, has also just banned the import of the Soviet magazine *SPUTNIK*... for if they do not have anything to eat, the Poles at least have the meager consolation of having a much more open press than that of the Czechs or the East Germans.

On the Bulgarian front, on the other hand, things appear to be improving, in any case until next summer: in September, the Sofia airport had almost been a riot scene when Bulgarian customs agents tried to prevent Polish tourists in transit from shipping all their baggage. It must be reported excess baggage reached 120 kilograms in the case of travelers arriving from Istanbul, where they conducted some genuine raids in the Bazaar. The Polish airline LOT finally had to send a special plane to repatriate these "tourists" and their cargo, whose resale in Poland no doubt will allow them to get through the winter.

HUNGARY

Editorial Criticizes Regime Tactics, Calls for Comprehensive National Strategy

25000054 Budapest *MAGYAR NEMZET* in Hungarian
29 Nov 88 p 1

[Editorial by Pal Bodor: "A Matter of Survival"]

[Text] The atmosphere is filled with excitement; there is a lot of humming and hawing going on; entire value systems are falling by the wayside; people and ideas are jockeying for positions. We are excitable, fanatical and uncertain. People who either out of conviction or for lack of any other choice have been parroting someone else's truth are now searching for their own. It is difficult and unpleasant to say this, but many have found it more convenient to accept mental tyranny, or to rumble about unpleasant decisions than to independently examine, digest analyze everything that we have in common, our recent and most recent past as well as our present, or to arrive at sovereignly drawn conclusions.

We used to complain about the half-prepared spiritual nourishment we were getting; eventually, however—albeit not without protest—we have grown accustomed to it. Now we ourselves must start unraveling the facts, working at them as if plucking and gutting chickens, casting whatever we cannot use to the cat, and preparing what is left on slow or high heat. Once in a while we get burnt by the hot splattering oil, for we are still a bit clumsy; and often we end up burning the feast intended for the mind. We curse, and sometimes are left hungry.

It was easier to be a cussing kibitzer.

Then there are those, of course, who have no mind to be nourished at all.

So it should not be surprising that in all this independence not everyone is able to re-orient himself on a moment's notice, or to make the necessary adjustments from one set of historical circumstances to another.

We can be distraught, but we should not be surprised if the government is unable to come up with immediately applicable and indisputably redeeming political, economic and moral panaceas at the snap of our fingers.

Nor should the government be surprised if its actions are not always accompanied by cheers of joy. Or if the tone of the complaints changes from a pleasant tenor to a resounding baritone or bass, and if occasionally these voices form a choir.

The air is tense with nervousness, just when we would need would carefully maintained calm.

All it takes is one said or unsaid word, a half-botched argument, a failure of any kind to be completely candid with the public, a "withholding" of sincere explanations, and emotions flare up.

When a demonstration planned for 15 November was banned, the authorities offered a clumsy explanation. It was clumsy because it completely lacked the power of conviction. The statement issued was unworthy even of an adolescent society. No one is likely to believe that the reason why they had decided as they did was to prevent any disruptions in traffic. The Hungarians of today who on 27 June had marched on the streets with such self-discipline and pride would have deserved a more mature, more thorough and more factual explanation. And because it is so obvious that there was such an explanation—after all, no government will risk banning a mass event and the loss of popularity which decisions of this kind entail for such an insignificant reason as "ensuring" the orderliness of traffic somewhere—it is incomprehensible to me why they had to resort to such a false sounding and almost infantile story.

In politics poor wording, sloppy reasoning and imprecise statements are never purely stylistic or rhetorical sins.

Maybe the proponents of the [Bos-Gabcikovo] water dam are right, but unfortunately they have not been able to convince the rest of the country. Maybe for now it is indeed impossible to introduce a family income tax, but—with the exception of the most closely involved experts—no one understands why. Maybe it really is out of the question right now to effect significant improvements in the remuneration of our technical intelligentsia, the members of the health profession, our teachers and public servants. Maybe we are unable to improve the financial situation of our educational system and culture, the arts and the press, and really have no other choice but to dedicate our resources to the dam, to Tengiz and to compensating for the shortcomings of our ruble-cleared exports. The problem, however, is that we have been unable so far to convince a large segment of the public opinion of any of this, even in those matters of great importance and specific detail on which the government's position is unquestionably correct.

It is a vicious circle. They have been unable to convince the public opinion, for it is distrustful and suspicious, in other words it does not even trust those who could be trusted; yet, because they have been unable to convince it, its distrust, suspicions and ill feelings have only continued to build.

One of the ways we hope to remedy our economic problems is by attracting foreign capital. In other words, the key to the way out is what we are able to bring in... The only question is whether or not that capital is willing to settle in a place where public opinion is characterized by distrust. Only a steady-handed government of clear visions, one that enjoys the masses' trust can offer reliable guarantees to attract working capital. Which brings us to another vicious circle. The government seems to feel compelled to retain many of the unpopular

elements of the short-term phase of its program, which is not the most ideal way to generate enthusiasm—hence there is little reason to believe that the 10 million people of this country would go to any length to support it.

It is, therefore, in the vital interest of us all to have a leadership that strictly limits itself to imposing only the most unavoidable restrictions, the kind which it can incontrovertibly and convincingly justify; a leadership that carefully avoids unnecessarily irritating and offending public opinion. We need a leadership that does not call for a closed session of parliament when a group of representatives is demanding a roll-call vote on the water dam issue, one that is not afraid to inform the public fully about what had transpired at the Arad meeting. We need leaders who can properly justify banning a solidarity demonstration, and who do not resort to making surreptitious personnel decisions; people who are willing to do more than just constantly improvising when it comes to finding international, legal and social remedies to our refugee problem, and who are not afraid to take the initiative on any area of concern, whether it be a fundamental interest of Hungarian foreign policy, the housing problem or insuring the supply of construction materials.

We have enough problems that we cannot do anything about in the short run as is. Let us not make matters worse by adding things to the list that can be resolved.

We are in the middle of a search, hence we are excitable, fanatical and uncertain. Let us keep in mind that from the government level down to the individual, from the enterprise manager to the foreign trader, everyone is still learning what it means to be spiritually independent, to take initiatives and to become involved.

In order for our country's potentials, talents and intellectual strength to fully assert themselves, we are in urgent need of a purposeful national strategy that encompasses everything from our main political interests to our essential domestic economic, intellectual and moral goals. A strategy that can be used to measure our government's deeds and ourselves against. One that will allow us to treat even ad hoc and involuntary solutions as parts of a long-term concept.

No government can claim to be infallible. There are even fewer who could not be proved to have erred by an irritated public. On the other hand, no government should be allowed to function that does not understand the repercussions of its mistakes, and more importantly, that does not try to formulate a comprehensive national strategy to win over the country.

POLAND

POLITYKA Weekly News Roundup
26000204a Warsaw *POLITYKA* in Polish
No 46, 12 Nov 88 p 2

[Excerpts]

National News

An important government decision: On 29 October 1988, on the recommendation of the minister of indus-

try, the premier decided to liquidate the Lenin Shipyards in Gdansk. It will formally cease to exist on 1 December 1988. Inasmuch as economic reasons were decisive in this case, in the second case, the liquidation of the Siechnice steelworks near Wroclaw, the issue was environmental protection. The outdated steelworks emitted large quantities of harmful particles. Mieczyslaw Wilczek, minister of industry, decided to reduce the administrative personnel in his ministry by 50 percent. He has also decided that employment in the administrations of the hard coal associations and in the power and brown coal industries will be reduced by 40 percent. This means the so-called coal mining associations will be liquidated. [passage omitted]

On the agricultural market. New purchase prices for agricultural articles will go into effect retroactively starting on 1 July 1988. On the other hand, from 1 November to January 1989 prices for artificial fertilizers will be reduced (other than for nitrochalk, magnesium salts, sulfurized potassium, kieserite): by 20 percent in November, by 15 percent in December, and by 10 percent in January. Pesticides will be sold at lower prices until the end of February 1989 (on the average by 30 percent).

From the Public Opinion Research Center. On the future form of the union movement: only the currently active trade union should be in our enterprise, 15.7 percent; only Solidarity should be, 6.6 percent; the currently active union and Solidarity should be, 10 percent; several unions should be, 9 percent; any union as long as it effectively defends the interests of the workers, 56.7 percent.

From the Radio Committee Public Opinion Research Center. On the new government: Will it be good? 3 percent, definitely yes; 40 percent, probably yes; 12 percent, probably not; 2 percent, definitely not; 43 percent of the respondents had no opinion. Will M.F. Rakowski be a good premier? 10 percent, definitely yes; 43 percent, probably yes; 17 percent, probably not; 3 percent definitely not; 25 percent of the respondents had no opinion. For the first time in some time, an improvement in society's mood was noted: according to 29 percent of the respondents during the next three years material conditions will improve.

Lot will lease three wide-body, long-range Boeing planes to serve the intercontinental routes over the next year. The leases will be paid for out of Lot Polish Airline's own convertible-currency income.

An air disaster near Rzeszow: A regularly scheduled flight of an AN-24, carrying 25 passengers and four crew members made a forced landing on a field and burst into flames. Thanks to the care and efficiency of Kazimierz Rozek, the captain, only one person was killed and five injured.

The district court in Gdansk sentenced Piotr T. and Adam J., former functionaries of the Citizens' Militia, who were charged with entering St. Brigida Church while intoxicated on 22 July 1988 and thoughtlessly offending the religious feelings of the individuals gathered there. Further, the defendants used physical force against two individuals, Grzegorz H. and Czeslaw W., causing slight bodily injuries. The court found both defendants guilty of the acts charged and sentenced Piotr T. to one year and four months imprisonment and Adam J. to one year and two months imprisonment. The period spent in temporary arrest was counted against their sentences. The sentences are final. [passage omitted]

On the Left

[Passage omitted] The September issue of KOMMUNIST in an article: "Confusing the concept of 'directing' with 'managing' is not an academic dispute about a definition. If the party is recognized primarily as the superior administrative organ, a type of office occupying the highest place at the top of the hierarchical pyramid and not as a nucleus of social progress, not as an all-nation intellect, generator of ideas, defining the direction for further development of the country, then wanted or not, the very concept of party and partyness is belittled, eliminating the revolutionary content of the communist organization. The only guarantee against the adoption of such a point of view is the comprehensive development of democratic processes, involving the entire nation. The delimitation of the functions of the party and economic bodies, of the party and of the state, is not simply a voluntaristic separation of roles between political subjects on the basis of "it is easier this way." It is a qualitative difference in the nature and character of the activities."

The mass media in the GDR limited themselves to short agency reports and a broader report from the first day of FRG Chancellor Helmut Kohl's visit to the USSR. On the other hand, a NEUES DEUTSCHLAND commentary titled "Kohl Against Nature" criticized the Chancellor's statements about the current situation of both German states: "It would be good if the Chancellor instead of speaking of the unnaturalness of the situation returned quickly to the road of common sense. It would be good for him himself, for the citizens of the Federal Republic, and for the citizens of the GDR, as well as for Europe, peace, normalization, and neighborliness in our common European home." [passage omitted]

"Socialist pluralism will be realized as part of the one-party system," stated Laszlo Major, the spokesman of the Central Committee of the Hungarian party, after the 2-day plenary meeting of the MSZMP Central Committee. He excluded the possibility of the formation of new parties before 1990. [passage omitted]

The Krasnoyarsk radar station may be transformed into an international cooperative center for the peaceful

exploitation of space, in accord with Mikhail Gorbachev's proposal made 16 September 1988. This was the conclusion reached by representatives of the USSR and United States during the next round of disarmament talks in Geneva.

Karoly Grosz, secretary general of the MSZMP, announced that at the end of November 1988 he will cease to hold the office of head of government. In an interview with the daily MAGYAR HIRLAP, he said that he had told his partners from Austria, Spain, and France, since he was to pay visits to these countries. All replied that he would be equally welcome as secretary general. [passage omitted]

Piotr Bogdanov, head of the Main Administration of the Moscow Militia reported at a press conference that since the beginning of this year there have been 640 attempts to organize manifestations and demonstrations in Moscow without the permission of the authorities. He noted that the majority of these gatherings, especially demonstrations organized by the so-called Democratic Union, were clearly provocative and anti-Soviet. [passage omitted]

Party Activities Calendar 26 September-9 October 1988

26000201 Warsaw ZYCIE PARTII in Polish
No 21, 19 Oct 88 p 20

[Unattributed report: "Party Chronicle: 26 September-9 October 1988"]

[Text]

9th Plenum of the PZPR Central Committee

26 September. The 9th plenum of the PZPR Central Committee met under the chairmanship of Wojciech Jaruzelski, first secretary of the Central Committee. In the resolution adopted, the Central Committee obligated the PZPR Sejm Deputies' Club to support the candidacy of Mieczyslaw F. Rakowski, member of the Politburo and secretary of the Central Committee, for the position of chairman of the Council of Ministers.

Conferences and Meetings

27 September. The Sejm of the Polish People's Republic named Mieczyslaw F. Rakowski, member of the Politburo and secretary of the Central Committee, to the position of chairman of the Council of Ministers and assigned him the presentation of recommendations on the composition of a government.

The activities of party organizations in the literary community after the seventh plenum of the Central Committee were the subject of a meeting of Andrzej Wasilewski, secretary of the Central Committee, with the first secretaries of the basic party organizations in the

sections of the Union of Polish Writers and their aktiv. Tadeusz Sawic, head of the Culture Section of the Central Committee, participated in the meeting.

28 September. At the PZPR Central Committee building there was a celebration of the inauguration of the new ideological training year. Wojciech Jaruzelski, first secretary of the Central Committee, who commented on the problems taken up during the discussion in his remarks at the end of the meeting, participated in the inauguration. A speech by Marian Orzechowski, member of the Politburo and secretary of the Central Committee, and a presentation by the head of the Ideological Section of the Central Committee on the achievements in the training during the previous year and the direction in training during the new year preceded the discussion.

30 September. The Commission for Science and Education of the Central Committee discussed the tasks for basic party organizations at schools and higher schools in creating an alliance of supporters of reform in Poland. Marian Orzechowski, member of the Politburo and secretary of the Central Committee, delivered an introduction to the discussion.

The following members of the party leadership participated in the ceremonies inaugurating the new academic year: at the Agricultural-Technical Academy in Olsztyn, Mieczyslaw F. Rakowski and Wlodzimierz Mokrzydzak; at the Central School of Agriculture in Warsaw, Jan Glowczyk; at the Slask Polytechnic in Gliwice, Zygmunt Muranski.

1 October. The following members of the party leadership participated in other inaugurations of the new academic year: at the Slask Medical Academy in Zabrze, Zbigniew Messner, Marian Orzechowski, and Manfred Gorywoda; at the Czestochowa Polytechnic, Zofia Stepien.

3 October. Wojciech Jaruzelski, first secretary of the Central Committee and chairman of the Council of State, participated in the inauguration of the new academic year at the A. Mickiewicz University in Poznan. Wojciech Jaruzelski met with the authorities of this higher institution and other higher schools in Poznan and then with the leadership of the PZPR voivodship committee. The first secretary of the Central Committee talked directly with the residents of Poznan, and in the evening, he visited the university dormitory Jagienka. Wojciech Jaruzelski was accompanied by Gabriela Rembisz, Boguslaw Kolodziejczak, and Henryk Bednarski.

Wladyslaw Baka, member of the Politburo and secretary of the Central Committee, received a delegation of the CPSU Central Committee led by Vladimir Mozin, first deputy head of the Economic Section. The Soviet guests familiarized themselves with the practical implementation of the program to transform the operation of the economy.

5 October. A conference of the first secretaries of the 200 largest enterprises in Poland was held at the building of the Central Committee under the leadership of Wojciech Jaruzelski, first secretary of the Central Committee. The following members of the Politburo and secretaries of the Central Committee participated in the meeting: Wladyslaw Baka, Jozef Czyrek, Jan Glowczyk; and secretaries of the Central Committee: Kazimierz Cypryniak and Andrzej Wasilewski.

At the PZPR Academy of Social Sciences, the new academic year was inaugurated with the participation of 3,000 students. Marian Orzechowski, member of the Politburo and secretary of the Central Committee, participated in the ceremonies. Marian Orzechowski also participated in the inauguration of the party-political training year at the Ministry of Internal Affairs and delivered the inaugural lecture.

At the Higher Pedagogical School, Jozef Baryla, member of the Politburo, participated in the inauguration of the academic year.

6 October. On the occasion of the upcoming Polish Army Day, Wojciech Jaruzelski visited the Slask Military District. He toured the Tadeusz Kosciuszko Higher Officer School for Mechanized Units in Wroclaw and the 10th Slask Communications Regiment.

At the PZPR Academy of Social Sciences, the inaugural meeting of the Club for Graduates of the Academy of Social Sciences, the former Higher School of Social Sciences, and the Central Party School was held. Prof Jarema Maciszewski, rector of the Academy of Social Sciences, was selected the chairman of the council.

7-8 October. Jambyn Batmonh, secretary general of the Mongolian Popular Revolutionary Party and chairman of the People's Great Hural, paid an official visit to Poland. The leaders of both parties and states held talks. During the plenary meeting, the state of interparty, economic, cultural, and scientific and technical cooperation was evaluated.

7 October. On the occasion of the 44th anniversary of the formation of the Security Services and the Citizens' Militia, Wojciech Jaruzelski, first secretary of the Central Committee and chairman of the Council of State, visited the functionaries of the 26th Commissariat of the Citizens' Militia in Warsaw and the Criminal Investigations Unit of the Main Command of the Citizens' Militia.

At the building of the PZPR Central Committee, there was a conference of the political and organizational secretaries of the voivodship committees led by Jan Glowczyk, member of the Politburo and secretary of the Central Committee. The following participated in the

conference: Kazimierz Cypryński, secretary of the Central Committee, and Stanisław Gabrielski, head of the Political and Organizational Section of the Central Committee.

In the Offices and Organizations

27 September. In the facility of the Union of Socialist Polish Youth in Lubliniec, in the Czeszochowa Voivodship, Andrzej Wasilewski, secretary of the Central Committee, met with the participants of the student camp "Avant-Garde 2000."

28 September. In Czeszochowa at the joint plenum of the PZPR Voivodship Committee and the SD Voivodship Committee, the participants considered how to increase market production. The following, among others, participated in the deliberations: Zofia Stepień, member of the Politburo, and Janusz Basiak, head of the Socioeconomic Policy Section.

Kazimierz Cypryński, secretary of the Central Committee, met with the aktiv of the board of the Szczecin-Swinoujście port.

29 September. The Kielce Voivodship Committee discussed the role of the workers' self-management and cooperative self-management in the second stage of the economic reform and the tasks after the seventh and eighth plenums of the Central Committee.

The Wrocław Voivodship Committee devoted its deliberations to the effectiveness of our policy with respect to the younger generation. Stanisław Gabrielski, head of the Political and Organizational Section, participated in the deliberations.

Józef Czyrek, member of the Politburo and secretary of the Central Committee, met with the aktiv of the Katowice Voivodship. Manfred Gorywoda, candidate member of the Politburo and first secretary of the Voivodship Committee, also participated in the meeting. Józef Czyrek also talked with the aktiv of Piekary Śląskie and the Andaluzja mine about the tasks deriving from the resolutions of the eighth plenum of the Central Committee.

Janusz Kubasiewicz, candidate member of the Politburo and first secretary of the Warsaw Committee, met with delegates to the 10th party congress from Warsaw and the capital voivodship. They discussed the current political problems in Poland and in party work.

30 September. The Koszalin Voivodship Committee at its expanded meeting considered how to direct the party work in order to lead the region's society effectively.

1 October. The Skierniewice Voivodship Committee discussed the activities of the voivodship party organization in order to implement effectively the sociopolitical and economic changes.

6 October. In Gdańsk, Marian Orzechowski, member of the Politburo and secretary of the Central Committee, met with the rectors and academic teachers of the Tricity's higher institutions. They discussed making scientific and didactic, political and social, and academic self-management work more effective. Marian Orzechowski also participated in a meeting with the aktiv of the Gdańsk Voivodship party organization.

8 October. The Białystok Voivodship committee at its joint session with the Voivodship Control and Review Commission discussed the participation of the party offices and organizations in solving the problems raised in letters, complaints, and reports from the people.

Interparty Cooperation

26 September. As part of the Warsaw Days in Prague, Janusz Kubasiewicz, candidate member of the Politburo and secretary of the PZPR Warsaw Committee, was received by Miloš Jakes, secretary general of the CPCZ Central Committee.

29 September. A delegation of the Culture Section of the Central Committee of the Communist Party of Cuba visited Poland. At the end of their visit, the guests were received by Zbigniew Domino, deputy head of the Culture Section of the PZPR Central Committee.

30 September. Wojciech Jarużelski, first secretary of the PZPR Central Committee and chairman of the Council of State of the People's Republic of Poland, paid a friendly, 1-day working visit to Bulgaria at the invitation of Todor Zhivkov, secretary general of the BCP Central Committee and chairman of the Council of State of the Bulgarian People's Republic. During the visit Wojciech Jarużelski and Todor Zhivkov signed two documents: "Program for the Development of Cooperation Between the PZPR and the BCP in the Areas of Politics, Ideology, Science, and Culture to 2000" and "Conception of the Development of Economic and Scientific and Technical Cooperation Between the Polish People's Republic and the Bulgarian People's Republic to 2005"

In Berlin, Władysław Baka, member of the PZPR Politburo and secretary of the PZPR Central Committee, and Guenter Mittag, member of the SED Politburo and secretary of the SED Central Committee, held talks. The talks were about the further development of economic cooperation between Poland and the GDR.

4 October. Vasil Bilak, member of the presidium and secretary of the CPCZ Central Committee, received Tadeusz Sawicki, head of the Culture Section of the PZPR Central Committee, who was in Prague on a working visit.

6 October. Jan Glowczyński, member of the Politburo and secretary of the Central Committee, met with the leaders of a 120-member group of young people from Korea visiting Poland on a youth exchange.

PZPR Voivodship Plenums Held, Reported

Critical Session on Culture

26000197 Warsaw TRYBUNA LUDU in Polish
4 Nov 88 p 4

[Report by Witold Sawicki: "Ostroleka PZPR Voivodship Committee Plenum: Protect Our Inheritance and Multiply Our Cultural Achievements"]

[Excerpts] Ostroleka—On 3 November 1988 during the plenary deliberations of the PZPR Voivodship Committee in Ostroleka devoted to an evaluation of the state and prospects for development of culture in the region, the speakers said that culture, its creators and activists, methods and forms of dissemination, its entire potential can and should be put into the process of social change, into the creation of complete human initiative and entrepreneurship.

The Ostroleka Voivodship is among the voivodships with the weakest facilities, the greatest personnel difficulties, and a relatively low level of development of society's cultural needs. During the several hours of debate, discussion centered on how to break through the threshold and barriers in the dissemination of culture and equalize the disproportions in access to facilities, both geographically and by social group, how to develop the processes of socialization of the management of culture. During the discussion, proposals, arguments, and emotions conflicted, but at times they were not free of particularism. All the opinions, however, had a common denominator: they pointed to the need to protect our inheritance and to multiply the cultural achievements of the Ostroleka region.

"We are aware that a modern cultural facility is not a community center from the 1950's," said Bozena Rostkowska of the Youth House of Culture in Ostrow Mazowiecki. [passage omitted] Reform requires the facilities today to earn money, and dissemination of culture becomes secondary. Strengthening the ranks of the party among the cultural employees and activists, whose tasks should be, among others, to create a climate of openness and support for new initiatives serving to enrich cultural life was termed essential.

In the resolution adopted, the Voivodship Committee appealed to all of its allies in cultural activities, the members of the voivodship people's council, party members, party offices and organizations in this field to intensify their efforts to develop this area of life.

Kazimierz Clapka, deputy minister of culture and fine arts, and Mirosław Slowinski, deputy head of the Central Committee Culture Section, participated in the deliberations. Jerzy Glowacki, first secretary of the voivodship committee, presided.

Less Fragmentation in Culture

26000197 Warsaw TRYBUNA LUDU in Polish
5-6 Nov 88 p 5

[Report by Witold Grabos: "Chelm PZPR Voivodship Committee Plenum: Culture Does Not Like Sectional Divisions"]

[Excerpts] The cultural life of the Chelm Voivodship is full of amazing contradictions and disproportions. The voivodship does not have the best cultural facilities. In Chelm during the postwar period, only one cultural facility has been built. [passage omitted]

The rapid development of the amateur and folk artistic movement is a Chelm phenomenon. There are 65 folk ensembles, a dozen or so music groups, and nearly 50 amateur theater groups. [passage omitted] What is hampering development was discussed during the plenary deliberations of the PZPR Voivodship Committee in Chelm on 4 November 1988 devoted to the role of culture in shaping social and political attitudes and the activeness of the residents of Chelm Voivodship.

The members of the plenum shared the position that the humble resources, the insufficient facilities and personnel could be better exploited, if the section divisions were eliminated. The resolution included a provision that the Chelm Voivod apply to the minister of culture and fine arts for permission to implement experimental measures in the voivodship that go beyond current legal provisions.

Andrzej Wasilewski participated in the plenum. [passage omitted]

Tadeusz Sawic, head of the PZPR Central Committee Culture Section, participated in the meeting.

Stefan Lyczak, first secretary of the PZPR Voivodship Committee, presided over the deliberations.

Katowice on Mining, Restructuring

26000197 Warsaw TRYBUNA LUDU in Polish
7 Nov 88 p 3

[Report by Stanisław Zielinski: "Plenary Deliberations of the PZPR Voivodship Committees: Katowice: Achieving Normality"]

[Text] On 3 November there were more than six hours of debate on events which although they occur in one region still weigh on the economy of the entire country. Politburo members Władysław Baka, secretary of the Central Committee, and Zygmunt Muranski, senior mine foreman at the Rydułtowy Coal Mine, participated.

Opening the deliberations of the voivodship committee party plenum in Katowice, Manfred Gorywoda, candidate member of the Politburo of the Central Committee and first secretary of the Voivodship Committee, called

for discussion of the report "The Katowice Voivodship Economy During the Reform Process," which had been distributed earlier. There were 21 speakers.

Many issues and problems were touched upon; nevertheless, one word was heard most frequently—restructuring. And not because it is fashionable today in general use. Restructuring, as Czesław Brozek, secretary of the Voivodship Committee, showed, is the "to be or not to be" for Silesia. Primarily because in the current situation, it is impossible to halt the decline in the exploitation of the local economic potential. The steadily declining coefficient of change and the growth of unfilled positions for workers is causing losses and the future is not bright.

But what will the social price for restructuring be? Halina Smiałkowska-Ryker, director of Wanda in Sosnowiec, and Kazimierz Zarzycki, chairman of the PRON Voivodship Council, noted that many heavy industry plants will not be able to continue without subsidies, and it will be necessary to liquidate them. This will bring the need for workers to change qualifications, frequently lower earnings, and require a second start in life. It is necessary to take concrete action today to ease the effects of unavoidable restructuring. This is a duty of the party, which cannot remain indifferent to what is happening around people and within them.

However, on the other hand, a labor market must be created in the voivodship, argued Jerzy Podsiadło, deputy director at Stalexport; for the current situation in which there are 500 jobs for every individual seeking work in the voivodship is as paradoxical as it is demoralizing. In effect there is a shortage of people even in those enterprises that have sufficient raw materials and orders, including orders for export, but are unable to overcome the employment barriers.

It happens that due to the shortage of workers that both modern and outdated enterprises, producing poorly and expensively, are working at half speed. Are both to limp along? Zbigniew Smieszek, director of the Nonferrous Metals Institute in Gliwice, was of the opinion that openness in the use of innovative thinking and technical advancement should settle such "competition." Whoever does not use the newest techniques will not withstand the competition and will fail. But such mechanisms do not yet exist. Meanwhile, in spite of common opinions, if people are interested, there are things to put into practice on a daily basis.

And what about mining? Should it be reformed and how? Henryk Rembierz, secretary of the voivodship committee, and Jan Szlachta, director general of the Hard Coal Association, and several speakers commented on this subject. But their points of view agreed. Mining cannot resist reform any longer. A financial and economic system suitable for this industry must be created.

The management structures must be changed; the number of positions in the coal mining associations reduced, and the coal mines must take over some of their functions. The workers' self-managements must also operate in the coal mines.

But how can coal production be maintained at a level sufficient to cover the needs of the economy without the command-directive system? There is as yet no answer to this question.

Władysław Baka referred to these and other problems brought up during the discussion in his comment that the course of the deliberations fully correspond to the position of the eighth plenum of the Central Committee, which shows support for the principles adopted, for the detailed premises of the plan to consolidate the national economy.

"Restructuring," he said, "is tied up with the general process of achieving normality. Ways to restructure cannot be sought solely in the successive decisions of the Council of Ministers, but in the backyards of all those concerned."

In relation to the problems of mining, the central committee secretary said, "We believe that mining is facing the necessity of deep reform. But haste here is not the point. We must carefully consider what reform requires from mining and what nature requires, what the country expects, what the region in which the effects of mine exploitation are concentrated expects."

"This meeting," concluded Władysław Baka, "has begun a qualitatively new phase in the implementation of the economic reform in the Katowice Voivodship and in the whole country."

Rural Issues in Tarnobrzeg

26000197 Warsaw TRYBUNA LUDU in Polish
7 Nov 88 p 3

[Report by Ryszard Zatorski: "Plenary Deliberations of the PZPR Voivodship Committees: Tarnobrzeg: Improving the Quality of Life in the Rural Areas; Wiesław Ufniaż, First Secretary of the Voivodship Committee"]

[Text] On 5 November, for the third time in this decade at a meeting of the voivodship party organization in Tarnobrzeg, the implementation of agricultural policy in the region was evaluated. This time government decisions already made or announced, for example, on prices for agricultural products or demonopolization of purchases, reduced the temperature and sharpness of the speakers.

But, as Maria Sokal emphasized, competition would be complete if market prices were introduced for all agricultural products. A similar position was also included in the resolution.

In the Tarnobrzeg Voivodship, as Andrzej Kalicki noted, a level of 30 percent investment for agriculture from the voivodship budget has been maintained in spite of many other pressing needs. This shows the seriousness of the treatment of the needs of this sector of the economy and of the party resolutions and of the ZSL partners.

"For the more than 90,000 farmers, there are only 200 advisors, specialists of the Voivodship Center for Agricultural Progress," said Edward Bystron. "Thus soltys production circles, among other things, have been created in order to take advantage of new machinery and to promote farmers' access to new technology. Chemistry and machinery, in brief, today control progress in the rural areas."

In taking account of the implementation of party proposals, attention was drawn to the fact, among others, that in a voivodship where half of the local agricultural harvest must be hauled out of the region for processing work has begun on the construction of a processing plant and cold storage in Polaniec for vegetables and fruits and a grain elevator in Ozarow.

Zbigniew Michalek, candidate member of the Politburo and secretary of the Central Committee who participated in the plenum, recalled that the announcement of priority treatment for agriculture by the new government is a fulfillment of the decisions in the resolution of the 10th party congress. Z. Michalek spoke of the current efforts to develop a new agricultural policy and the prerequisites for profitable production. He also emphasized that the party in rural areas must keep the people at the center of its attention in order not to lose, in its debates about what, where, and how to raise or cultivate, the most important issue: the quality of life of the inhabitants of rural areas. And work in decent conditions, access to telephones, good roads, and a store stocked as it should be make up this quality.

Organizational issues, although they were second on the agenda of the plenum, played a dominant role in the course of the deliberations and in discussions in the cloakrooms. This was not surprising, for the day before the plenum the descriptions of the two candidates for first secretary had been published in the regional party daily NOWINY; Janusz Basiak, who had been the head of the organization, is now working as the head of the Socioeconomic Policy Section of the Central Committee.

During a break in the deliberations, I encountered the candidates, Wieslaw Ufniaz, a secretary of the voivodship party organization, and Jozef Piskorski, first secretary of the Stalowa Wola City Committee. They did not conceal the fact that in spite of the competition they are close colleagues. They are the same age; both were born in 1949.

Shortly after the announcement of the secret ballot, in which 64 of the 85 people voting cast their ballots for Ufniaz and 21 for Piskorski, the latter, asked how it

feels to lose, responded that one ought to take that possibility into account in standing for the position. That is the point of democratic competition and normal elections.

It is worth recalling the earlier events, the atmosphere of the unusually friendly farewell with Basiak. Both in the thanks from the party leadership conveyed by Z. Michalek and in the spontaneous gifts of flowers.

In the opinions expressed by the party members of the new first secretary, they emphasized his humility and party experience in spite of his youth. Just after the election, Wieslaw Ufniaz, when asked about his program, responded:

"We are in the middle of a term in office, and I do not hide the fact, that I will continue what has been begun. We are bound by party resolutions. In two and a half years, we will take stock of the implementation of the decisions of the sixth voivodship conference. I will attempt to help people who need help, I will attempt to support all beneficial initiatives by social groups, and I will attempt not to get in the way."

"Which social groups require close party attention?"

"Rural ones, for instance. We are aware that one fifth of the village administrative offices have no party organization; in order to have influence, we must be there."

TPPR Congress Aims for Larger Youth, Rural, Intelligentsia Membership

26000203 Warsaw TRYBUNA LUDU in Polish
8 Nov 88 p 5

[Unattributed report: "Changing the Organization Into a Social Movement: Prior to the 12th Congress of the Polish-Soviet Friendship Society"]

[Text] The Polish-Soviet Friendship Society has more than 3 million individual members in 45,000 circles and 15,000 group members, and nearly 4,000 supporting members. Nearly half of all the individual members are young people in school or working young people. These numbers clearly show the essential and noticeable quantitative growth of the activity of the Polish-Soviet Friendship Society in all areas. During the last term in office, the membership of the organization grew by nearly 400,000.

At a press conference with journalists on the current situation in the life of the organization held on the 71st anniversary of the Great October Revolution at the headquarters of the Main Administrative Board of the Polish-Soviet Friendship Society in Warsaw, Prof Henryk Bednarski emphasized that, during the continuing reporting and election campaign prior to the 12th congress, discussion has concentrated chiefly on the congress theses.

The stimulus for all of the initiatives of the Society are the program adopted by the 11th Congress of the Polish-Soviet Friendship Society and the PZPR Central Committee Politburo's outline of the basic plans and tasks in strengthening Polish-Soviet friendship in society, and the resolutions of the 10th PZPR Congress and the 19th CPSU All-Union Conference.

Describing the ongoing reporting and election campaign prior to the congress, which is planned for the second half of January 1989, Prof Bednarski spoke about the frequent proposals to change the organization into a social movement and to direct its activities toward all of society with the help of other organizations and social forces and in the direction of strengthening and deepening various forms of Polish-Soviet cooperation.

The Polish-Soviet Friendship Society desires to expand its activities especially among students, creative intellectuals, and in rural areas. To this end, it wants to form, among other things, friendship clubs cooperating with the various regions and social groups and with schools in the Soviet Union. Much attention will be given to the role of direct interpersonal contacts, not only between enterprise workers and schools of the two countries, but also between families. As experience shows, these types of contacts bring people closer together. The new forms of cooperation will be contained in the documents of the 12th congress. They will be discussed by the leadership of the Soviet-Polish Friendship Society.

Stefan Nawrot, the general secretary of the Main Administration of the Polish-Soviet Friendship Society, said in his presentation that in spite of the difficulties that had appeared in the organization's activities at the beginning of the 1980's, the society had defended its position among the social movements in Poland after the 11th congress and its organizational structure, as the rapid growth in membership shows. This success is chiefly the result of the basic units of the Society which were able to develop new, attractive forms of activities. This phenomenon has also been favored by the growth in interest in Poland in perestroika and the new thinking in the Soviet Union as well as the process of renewal in Poland.

Leonid Ivanovich Khitrin, first secretary of the Riazhan CPSU Obvod Committee, who participated in the press conference, recalled the comments of Gen Wojciech Jaruzelski during the recent ceremonies in his town during the meeting of combatants on the subject of the birth of Polish-Soviet friendship, which forms a lasting foundation for the unchanging alliance of our two states. He also expressed the opinion that the application of new forms of cooperation between our two societies—while maintaining tested ones—will contribute to the deepening and strengthening of the ties of friendship between the Soviet and Polish societies.

Gdansk Shipyard Closure Viewed as Economic Decision

26000210 Warsaw *POLITYKA* in Polish
No 46, 12 Nov 88 pp 1, 6

[Article by Andrzej Mozolowski: "In the Gdansk Shipyards: How It Really Was"]

[Text] . . . with the Lenin Shipyards? Why are they liquidating it? An economic or a political issue? A complete surprise. Was the decision made long ago? How was it really?

Let us go back to 1986. The government worried (although a little late) by the very bad and constantly worsening situation in the shipbuilding industry formed an interministry commission led by E. Lukosz, the deputy chairman of the Planning Commission to study the situation and make recommendations. The commission studied, drew conclusions, and presented its recommendations. As a result of the performance of the program, the industry was to gradually overcome its doldrums, so that beginning in 1990, it "would operate on the basis of complete self-financing." Following the planned program, the shipyards developed their technical and economic plan which, however, did not take into account the basic task: achieving self-financing. Moreover, the performance of the shipbuilding industry was constantly getting worse.

Time passed, and no improvement was visible. Premier Messner, on 3 June 1988, formed another interministry commission; this time chaired by Zdzislaw Miedziarek, the secretary of state in the Ministry of Industry, who has a reputation as an outstanding manager from his term as director of the Cegielski Plant. After a month of intensive work, the commission presented a very detailed, 36-page report that made for deeply depressing reading. There is no way to discuss all of it here.

What is most important: The production of the shipyard, 75 ships (600 DWT displacement) at its height in 1979, fell to 51 ships (325 DWT displacement) in 1987. Employment fell from 44,000 to 35,000. Given the great demand for labor in the cities along the coast, there was no way to expand the workforce. The construction cycle for ships systematically grew longer; the costs were increasing; the effectiveness of exports steadily worse. The unused production capacity going to waste grew alarmingly, especially in the Paris Commune Shipyard in Gdynia and the Lenin Shipyards in Gdansk. The large equalization subsidies assigned to the shipyards from the budget, interest rate discounts on loans, tax burden relief, and subventions were of no help. Last year subsidies and subventions for the shipbuilding industry amounted to 18.479 billion zloty. The industry continued to show on-going losses from exports (almost the entire production of the shipyards is exported). No way of filling the colossal hole in the labor force was visible. The shipyards, however, consumed huge quantities of energy.

The standard argument of the endangered shipbuilders, repeated gladly by a part of the Western press: How can one speak of the supposedly high costs of building a ship if in our financial and economic system and, given our exchange rates into foreign currencies, how much something actually costs and transaction prices for ships sold abroad do not equal their actual value. A sacred truth. But with this addition: in the case of the shipyards, all official accounting of production costs are reduced. In reality they must be higher than those used in the calculations. The shipyards acquire equipment for the ships constructed for dollars purchased for reduced official prices; they consume quantities of energy which costs them less than it costs to produce it; they pay less for steel than it costs to produce it, including, among other things, the deficit costs of coal. Thus, the true performance of the shipbuilding industry is, in large part exports, much worse than it appears.

Let us explain one other puzzle: Why do Polish shipyards have a full portfolio of orders many years in advance, chiefly from Soviet partners, if all over the world, shipyards are closing one after another due to a lack of orders?

The British shipyard in Sunderland, once one of the most important shipbuilding centers in the world, is facing eminent liquidation. Protests by the trade unions and the local authorities, defending themselves from unemployment for 6,000 people, and the suppliers of the shipyard do not stand a chance. The government subsidizes it with 40 million pounds annually, and in a couple of years that sum would rise to 100 million pounds. The shipyard is currently building one ship and does not have a single order. Nota bene, a journalist for the British daily INDEPENDENT writes that the Sunderland shipyard and the Gdansk shipyard have found themselves "in the same boat," and it is going down.

But, a surprised reader says, our shipbuilding industry has a full portfolio of orders! What miracle brought that about?

A simple miracle: We sell ships cheaply—cheaper than anyone else—and only that draws clients to us. But does it produce benefits? A rhetorical question. We produce expensively and sell cheaply.

Let us return, however, to the commission report. It calculated the 10 most important indices and evaluated the creditworthiness of our largest shipyards: the Gdansk, the Northern, the Paris Commune, and the Warski. I will not bore the reader with a discussion of the many indices—economic performance, proportion of wages to net production, energy consumption, the relationship of subsidies to accumulation, etc. I will limit myself to one, the most important one: the rate of financial accumulation which shows how many zloty of accumulation each 1,000 zloty of fixed assets and each 1,000 zloty of turnover by the shipyard produce. The Northern, little, but always: last year 256 zloty, in

previous years, 159 and 112 zloty; the two worst: the Gdansk and Paris Commune produce losses! For the last three years minus 9 zloty, minus 104 zloty, minus 59 zloty; in the other: minus 86 zloty, minus 123 zloty, plus 16 zloty. These shipyards not only produce no profit, but they also consume their own assets!

The other indices are similar. Most of them, very pathetic, show a large difference between the two best, the Northern and the Warski, and the two worst, the Lenin and Paris Commune. Both of them appear to compete in burying themselves in economic incapacity; the Gdansk Shipyard, unfortunately, is winning the race.

Is it the shipyards fault. Well. Its performance, like that of the entire shipbuilding industry, is burdened by the blow from outside: beginning with the collapse of the world market, continuing with the fatal economic and financial system, and ending with the mistakes of the government's economic policy. But the matter is not one of guilt or punishment or of forgiveness or penance. The point is to evaluate the facts and draw conclusions.

Everything the Old Way?

In its summary, the above-mentioned report states: "The Polish shipbuilding industry has sufficient orders for ships, especially from the USSR, to permit exploitation of the currently existing production capacity. There are signs of improvement in the world shipbuilding market. This industry is a large exporter and in absolute terms brings the economy significant sums of convertible currency." And so it should be retained, but, made profitable. To this end, it is necessary to close the Lenin Shipyards and pursue the modernization and the full use of the production capacity of the other shipyards, specialize their production, resign from producing ships that most seriously reduce performance, renegotiate the conditions for building the ship-bases for the USSR on more favorable terms, introduce a series of systematic regulations deriving from the reform, strengthen the Northern Shipyards with a part of the assets and workforce from the Gdansk Shipyard after liquidating the latter, etc.

The authors presented a second possible solution that differed from the first solution. It resigned from the liquidation of the Gdansk Shipyards and substituted a limitation of production in all of the others. The commission noted, however, that it supports the first solution, the decidedly better one; the second is presented only as a half-measure, because of the opposition to the first, radical one by the directors of the Lenin and Warski Shipyards.

So much for the report. All those interested, including the shipyard workers, read it; the management of the Gdansk Shipyard protested; a couple of more meetings were held; and the matter was put aside without action as many other difficult, risky things requiring bold, radical action have been. People continued to talk and write

about the issue; no one made a secret of it. I myself presented the issue in an article titled "Who's In Charge Here?" (POLITYKA No 33/1988). I expressed scepticism there as to whether the authorities would take the radical, bold steps, both in the case of the shipyards as well as in other reform actions. These doubts proved to be true. To be sure, the government, in spite of the resistance of the heavy industry lobby, decided it was necessary to take action (following the first solution); Deputy Premier Sadowski spoke about this subject in a closed group; however, the opposition of the Politburo of the Central Committee decided. It decided that such an action would be read as political repression (all the more so since in the meantime the August strike had been held at the Gdansk Shipyard).

It appeared everything would stay the old way.

Social Support—Essential

But there was a change of government. And the government decided to take the risk. The decision to close the shipyard was made. Following it, there will come other decisions, deriving from the report. They must come.

Obviously, in addition to the economic aspect there is the political aspect; it is not possible to pretend we do not see it. The liquidation of a plant, which was the cradle of Solidarity, cannot pass without an echo and without protests. The government must have been well aware of this fact. It did not withdraw in the face of it. It is possible to be sorry that it did not wait to make other

analyses similar to the one described above on other industrial plants whose performance begs for closing, that the government did not announce a decision including several or a dozen or so dead weights around the legs of our economy. Such a step, would, in my opinion, have had an unequivocal character. Now the decision to liquidate the Siechnice Steelworks, a hundredfold correct, can be read as "making up for lost time" to compensate for the effect on public opinion caused by closing the shipyard.

One way or the other, the decision has been made. I do not think that it is possible to reverse it. I do not believe that the Gdansk Shipyard, even with the best desires of the employees, can be transformed from a waster of the national assets into a creator of them. That would surely hamper the process of revitalizing and improving the entire shipbuilding industry and halt the barely begun process of restructuring the industry. Restructuring concerns not only the structure of production within the shipbuilding industry, but also all of industry. The three most socially important industries—food, housing construction, and environmental protection—must develop with particular rapidity, and the economically important ones—electronics, pharmaceuticals—must develop, too. All these industries use few raw materials and energy; they are technically advanced and "clean." We are waiting for other radical steps. Breaking up the archaic structure of our economy that has pushed Poland—a sizeable country rich in resources—into a backward province of Europe is an important task for the government. Social support of such efforts is essential.

INTRABLOC

Large Polish-Czech Machine-Industry Agreement Described

26000220a Warsaw ZYCIE WARSZAWY in Polish
7 Nov 88 p 7

[Article by Wojciech Wasilewski datelined "Prague, November": "'Zetor' and 'Ursus'"]

[Text] Reports on trade relations between Czechoslovakia and our country say most often that the share of products within the framework of so-called specialization and cooperation is low. Obviously, this gives rise to concern, because in relations between Czechoslovakia and other socialist countries, this share is considerably higher. Nonetheless, the largest genuine cooperation agreement in effect for many years now involves none other than our machinebuilding industries. This is cooperation in producing Ursus-Zetor heavy tractors in Martin, in Slovakia, and at our Ursus. I must add here that, according to the director of the Heavy Machinery Combine in Martin, Engineer Josef Uhrík, this is the largest agreement of this type in all of the CEMA.

Specifically, what is the agreement about? About 6,000 sets for assembly produced in Czechoslovakia are earmarked for Ursus, and as many make the trip in the opposite direction. The tasks are divided more or less evenly, so that over 12,000 heavy tractors with capacities between 80 and 160 HP may be assembled at both enterprises annually without major difficulties. The word is "without major difficulties," but this is not to say that there are no difficulties in cooperating on such a scale. These develop not only on purely technical issues, but also on organizational and economic ones.

These 6,000 sets at each end, to say nothing of spare parts, amount to more or less 20 million rubles in turnover a year. This also means a joint design bureau, of which half, i.e., about 80 Polish employees are based in Martin, and half in Ursus. Finally, this also means new vehicles sought after not only inside the country, but also in the demanding markets of capitalist countries. The fact that Czechoslovakia sells half of its heavy tractors in hard-currency markets without a problem also testifies to their quality.

What does such cooperation mean for the Heavy Machinery Combine in Martin? An answer to the question so worded is both simple and complex at the same time. After all, Martin is a real giant, even by Czechoslovak standards. It employs 85,000 people in 11 plants of different sizes—from 1,000 to 17,000 employees. It also has a dozen or so R&D facilities, to say nothing of its own foreign trade organization "Martimex," which maintains contacts with several dozen countries of the world.

Martin produces not only the heavy Zetor [tractor], but, among other things, also construction and road maintenance equipment, loaders, tractors for logging operations, special agricultural machines for work in mountainous areas, as well as machine tools, robots and manipulators. Plants bearing the Martin logo are dispersed in 40 localities of the republic, but mainly in Slovakia.

I had an opportunity to watch the assembly of tractor engines in Martin. It is apparent even at first glance that equipment and machine tools in the shops are arranged very tightly. In short, it is simply impossible to assemble more engines and tractors given the organization of production to date. Cooperation is the only sensible way out, however, of the kind involving entire subassemblies rather than some trifles, the kind which is practiced with Ursus. Incidentally, employees of this enterprise had excellent knowledge of problems in the Polish plant, its difficulties with making sets of parts and subassemblies sent to Martin.

I also used the opportunity and saw the exhibition of the products of Martin. Two of the most modern tractors, the result of work by the joint design bureau, were also on display among many machines and vehicles of the most varied functions. These were two turbo tractors, designated 16245 and 10245, which Deputy Director of the Combine engineer Rostislav Oral described as genuine hits. These machines will enter joint production soon, and their further modifications already adopted by the two countries will, in director Oral's opinion, be the basis for production in the 1990's.

At present, it is hard to say how the cooperation agreement is going to develop in the future. The Czechoslovak side, which has good prospects for selling tractors, plans to increase their production by more or less 40 percent over 7 years. In turn, our country projects a somewhat more modest growth because of our own Massey-Ferguson family of tractors. Therefore, there may be differences as to the future of the agreement. Certainly, they do not call into doubt the sensibility of the idea of cooperation so interpreted, which specialists from Martin particularly emphasized.

Therefore, responding to the question about the meaning of cooperation with Ursus for the Martin combine, it is worthwhile to quote the words of the already mentioned director-general of the company engineer J. Uhrík. Among other things, he said that Czechoslovakia had secured through cooperation 160,000 additional heavy tractors and over 200,000 engines with capacities between 80 and 160 HP. Cooperation has been responsible for many new tractor designs, which has significantly facilitated retaining a strong position in the world market. Among the advantages of such cooperation, he also mentioned the fact that, in the past 5-year plan, Martin did not have to spend 1.5 billion Kcs in investments, because it secured the needed production capacity through cooperation.

Given this appraisal, all disruptions in the implementation of the agreement, as well as bilateral difficulties in complying with it precisely, somehow appear less significant. I believe that the cooperating parties on both sides of the border are well aware of this.

Budimex Activities, Contracts in Czechoslovakia Described

26000220b Warsaw RZECZPOSPOLITA in Polish
18 Nov 88 p 3

[Article by (rnk): "Czechoslovak Contracts of 'Budimex'"]

[Text] For 20 years—that is, since its inception—Budimex has been in the business of exporting construction and construction services. Among the socialist countries, Czechoslovakia is the largest partner. Last year, the value of exports came to 150 million rubles.

To date, building the conventional power station Prunero II, with an installed capacity of 1,050 MW, in a consortium with Elektrim PTHZ [Polish Foreign Trade Company] was the largest [project]. A highly favorable evaluation of the execution of the contract brought about the signing of agreements by virtue of which Budimex is carrying out reconstruction and modernization of further power installations.

From among "turnkey" installations for which Budimex has been the contractor we should mention sugar refineries in Hrochov and Hrusovany, two meatpacking combines in Prague, grain elevators in Knezmost and Milin, a shipyard in Chvaletice and a coal port in Lovosice.

Construction of the second process line for flotation glass at the Teplice plant is one of the largest contracts being worked on at present. The value of work exceeds 40 million rubles.

Budimex also specializes in building sewage treatment plants. Work on building them in Cesky Krumlov and Dvur Kralove is in progress.

Construction of tourist facilities, hotels and motels is the newest field in which Budimex has begun to specialize. At present, hotels in Prague, Brno, Gottvaldov, Karlove Vary and Karkonosze are being renovated.

Polish-Hungarian Exchange of Goods, Research

26000220c Warsaw RZECZPOSPOLITA in Polish
19-20 Nov 88 p 6

[PAP report: "Poland-Hungary: Noncurrency Product Barter"]

[Text] A protocol on noncurrency product barter and on scientific-technical cooperation between the Ministry of Domestic Trade of Poland and the Ministry of Trade of Hungary, signed on 18 November in Krakow, provides for increasing the exchange of consumer goods to 110

million rubles in 1989, or by 24 percent compared to 1988. Among other things, we import furniture, footwear, hosiery, canned fruit and meat, household products from Hungary. In exchange, Hungary receives glass products, silver, cosmetics and paper products. The exchange will be carried out between trade organizations maintaining direct contacts.

Scientific-technical cooperation provides for sharing experience concerning the financial and economic system of the trade of both countries. The need to form joint Polish-Hungarian trade and service organizations has been acknowledged.

BULGARIA

Train Accidents: Underlying Materiel, Personnel Problems

22000021 Sofia LITERATURE FRONT in Bulgarian
13 Oct 88 pp 1, 6

[Article by Mincho Minchev: "Breaking the Speed; Thoughts After Two Accidents and Two Publications That Preceded Them"]

[Text] Let me say also that whenever I get on a train I think that nothing could surprise me. This is like in life: Generally speaking, I have already experienced and seen quite a lot. That is why I buy newspapers, perhaps in an effort to catch up with events.

Otherwise, in those confused times of glasnost and alienation, people do not communicate with each other all that much. In the train compartment they appear to be concentrating as they look at the window, which appears opaque, and not from the speed alone, leaning sleepily on the shoulder of their neighbor, nodding over their newspapers, looking at the "cleverly drafted answers to the requests of editors" who have dared, as claim Khristo Karastoyanov (LF, No 36, 1 September 1988) and Slav G. Karaslavov (LF, No 27, 30 June) to publish a critical letter or article on the latest inadmissible violations of the economic contract between the citizen who has purchased a ticket at the BDZh counter, and "the BDZh in question."

Inadmissible, indeed. I would have called "fraud!" I would write this judgment in bold capital letters. And, like a big fish in a small pond, I would contribute to the organized demands of that chorus. The only reason for speaking out is that, it seems to me, I could tell a few things (for information purposes) to this singing chorus. In any case, for 15 years, 3 months and 27 days I have worn, like a birthmark, the railwayman's badge. In order not to sound arrogant, let me recall the only thing that this has brought me: 8,000 kilometers of fatigue and sleeplessness a month and 80 hours overtime monthly!.... And all that time was spent in the cabin of the locomotive engine, at the control panel, looking at the merciless arm of the speedometer, under the pulse beat of the clock and the thundering noise of the wheels: from Sofia via

Plovdiv and, with that same train, riding to Varna, for which the speed schedule calls for a minimum of 90 kilometers per hour and for the longest stop at a station not to exceed 3 minutes, in summer, when it is so hot that "it smells of smoldering pine," and in winter, when even the glass of the headlight freezes!...

This is not all that modest, right? Perhaps, but my extremely modest case is only part of the truth of the lives of 90,000 people. I would like to bear witness to their honest toil, and the furnace in which the bitter and oversalted bread of the railroad worker is baked. This must be done now, when the wound is fresh, and when the shame is the most painful and the sadness most bitter; now, when it is clear that the date 14 September will be recorded in the 100-year life of our railroad as an ineradicable mystical sign of the misfortune. This is because the severe railroad accident at the Iliyantsi railroad station triggered a real social upheaval and because, unquestionably, carelessness, distraction, excessive confidence, routine and light-headedness—all the components of the simple mathematical addition known as the subjective factor—were unquestionably involved.

The reason is that after the tragedy at the Iliyantsi railroad station came the deadly shock of the equally black 6 October. It was Odrum, with its innocent victims, crushing questions and, alas, profoundly despairing answers which would open the eyes even of the blind optimist and the pessimistic disbeliever. This is because whereas the event on 14 September could be considered a simple concatenation of so-called subjective factors, Odrum was a mathematical conclusion of a freezing technological inadequacy which has almost undermined the faith of the Bulgarian citizens in the BDZh which, until recently, was a traditional symbol of progress and safety, but which makes everyone to think of the reasons. However successfully the reasons may be concealed behind the broad back of the subjective factor, they are knocking quite loudly with their cast brake shoes and their objective reality. There is no way that they cannot be heard or seen! There are 134 railroad stations like Odrum, equipped with safety systems which ensure a degree of security comparable only to the time of Stevenson. But let us consider all of this chronologically!...

And so: Let us leave behind us the mine-strewn territory of emotions. In this area the eyes are always dulled and surprises are not excluded. Let us look through the impartial eyes of an independent observer (the International Railway Association) in finding the position which the BDZh occupies in the European railroad family. Here is what its bulletins report:

Density of the railroad network: second worst in Europe: There are only 38.74 kilometers of railroad tracks per 1,000 square kilometers of Bulgarian national territory, compared to 120.18 for Belgium, 129 for the GDR, and 111.17 for the FRG.

Operational characteristics: payload (1,000 transported ton kilometers per kilometer of tracks): Bulgaria is in third place in Europe with 6,040; Poland, 7,085.9; Czechoslovakia, 6,553.1; France, no more than 3,420; FRG, 4,348.1.

Electrified railroads: 52.8 percent of overall length, third in Europe; Belgium, 53.9; Austria, 54.0.

Double tracks: next to the last: no more than 22 percent of the overall length, compared with Belgium, 71.3; FRG, 44.3; France, 44.1.

Average 24-hour run per locomotive engine: 305 kilometers! First place! France, 192; Belgium, 196; FRG, 223 kilometers.

Here is another indicator directly related to service standards:

In 1 year one passenger seat transports 57,115 people in Bulgaria, compared to no more than 20,473 in Belgium, 31,321 in Austria, etc. As one can see, this makes quite curious reading. All we need is to be able to understand the language of figures, at which point a great many things become clear: The rounded-up figures of delays, the ceremoniously cut ribbons of alleged "new kilometers of double tracks," and the small problem in the formula "road divided by time...." Actually, at this point we should mention two other proofs found in the independent bulletin which, as one may see, is neither state nor official secret.

The average technical speed of all categories of passenger trains in Bulgaria is 58 kilometer per hour compared with 50.09 for the GDR, and 50.03 for Poland.

In terms of the capital returns coefficient (transported ton kilometers per 1 leva of fixed capital) the BDZh is first among the European railroad administrations with 6.71! It is 5.03 for France, 2.29 for Belgium, 1.88 for Austria, and so on.

By quoting these figures I merely want to sketch out the general aspect of the BDZh. I do not object to the fact that the various shadings caused by accidents and omissions add features to this portrait and I do not wish in the least to be a defender of any specific culprit, at a time when no extenuating circumstances exist. I claim, however, that no one, from the switchman to the director, has any illusions or feeling of self-complacency; no one works and lives carefree. There is this horrible, more-than-a-century-old curse: "May God give you the dreams of a railroad man!..."

I may be deviating from the topic but I am tempted to discuss in greater detail the working day of a railroad man which, in my view, is phenomenal.

Railroad workers are generous people. They will read this, they will hurt and they will say, "That is right," when what has been said is right, they will change what they can change and... will not mention the objective reasons. They will simply go to work.

But we can rest assured that they know, regardless of how hard they work, that the chain of objective reasons in our life has become quite long and that, in this case, they provide an "unconvincing shield blocking the legitimate questions of the public and the twice as legitimate blame" but which, alas, exist objectively!

Naturally, the most convenient and safe thing is to criticize the railroads, from the varying grayness of the uniforms to the impersonality of the bureaucrats, and it is twice as easy to hit those who do not determine the objective reasons, who are their slaves and who suffer from them, for they are the most accessible escape valve for the rather concentrated negative charges in our lives. It is no accident in the least that the social prestige of this great, courageous and necessary profession has long dropped to the below-zero mark on the scale of values. Has anyone asked himself about the type of life that a switchman or, even better, a locomotive engineer lives, those people at whose expense all of us draw up conclusions?...

That same person in his gray uniform, who walks down the hall, happens to be the father of children whom he rarely sees, children themselves grow up without him, for his life is literally on wheels, on the road and at railroad stations. His working time is counted according to the time of travel of the train plus 20 minutes before departure and 20 minutes after arrival, while the time until the next trip, which may be 2, 3 or more hours, is considered a rest period, spent holding his pouch between his knees, in the spare rooms of the station! Let us imagine what it takes to reach the monthly working time norm which, in his case, is never precisely 180 hours but a great deal more? This is the person for whom all days are an endless... workday! It is considered that he has hit the jackpot if he can spend one New Year out of 10 with his family. However, with his professional power of observation, he is able to detect those little sparks in the people's eyes, which indicate the superiority of another world of cozy Saturdays and Sundays and simple human happiness. He can impeccably detect the poorly concealed disrespect, the secret hostility, particularly when he needs help in carrying out his official obligations. How can he be arrogant when, after levying a mandatory fine of 4 leva, very frequently he also gets four punches in a dark corner of a coach and, since it is dark, no one has seen or heard anything!...

Now that I have mentioned the word coach, I recall a story. This problem is as old as the history of our railroad, for it mirrors the economy. It is difficult for our industry to produce passenger coaches. It is only now that it is gathering speed and experience, very slowly at that. It is also now that the until recently slow train of

our Bulgarian exigency is increasingly gathering speed and is even outstripping the excessively fast train of real time. This is not reprehensible. What is bad is that the coaches can neither be manufactured quickly and in sufficient numbers nor purchased. And if one can find them, where do we find the money, for a coach costs in excess of \$400,000. Therefore, the figure of 57,115 people per passenger seat is not high because the Bulgarians take an excessive number of trips but because... there are few seats. There are so few that in the marshaling yards trains are put together almost while in motion. This is not due to the unwillingness to observe the technological time but the lack of purely physical time! And God help us if a coach has a malfunction! At that point the dream of the railroad worker, from the switchman to the general director, turns into a nightmare. Yet, coaches break down, night and day!

The same applies to the fact that we hold first place in Europe in terms of locomotive engine runs. This is a wonderful accomplishment! However, what does it prove? It proves the merciless exploitation of the engines, which goes beyond even the critical limits. Therefore, the time left for a technical examination and repair is minimal. Why? Because there are not enough locomotive engines and engines are becoming ever more costly: From 400,000 leva, their price has risen to 1 million! Heaven help you if you are a locomotive engineer running such a heavily exploited engine from Sofia to Varna. You must be a top professional with a computer in your head so that among 2,000 possible malfunctions you can detect in "zero time" the real one and eliminate it and catch up with the delay! My former colleagues are wonderful specialists! How lucky would be any railroad to have such workers.

All of this is virtually unknown to anyone who nervously (and justifiably) keeps looking at his watch in the train or at the station....

Is it a question of impunity?... A great many things could be found in this state within a state, things which are virtually unknown anywhere else! This includes everything: deadening lack of sleep, mindless fatigue, pain, bitterness, hurt and... happiness, when there is reason for it, naturally. All that is lacking in those articles which are so abundant today is one item known as impunity, accessible only to those on whom objective reasons depend.

In this area responsibility, like a self-winding spring, is always at its maximal tension. Here one pays for each excess kilometer, for each untightened bolt, for each broken mirror, for each cut up upholstery or vanished ashtray, for any complaint, for any unnecessary stop, any delay, any break in the schedule, any misunderstanding and anything else! One pays at the highest rate to the merciless controller—life! The popular story that every railroad worker stands at all times with one foot in jail and the other in the grave is no sick joke. But could this already be considered metaphysical? Let me recall the

tears and sobs of the sad mother of the two brothers locomotive engineers Todor and Angel P. Iliev, who were sent by the merciless destiny of the railroad man innocently aboard the death train: one now, on 6 October, in Odrum, and the other, 2 years ago, at the Belozem station. What an endless active front exists between the warm heart of life and the wedge of death within this profession!... I understand that it is embarrassing to mention this against the dark background of Iliyantsi and Odrum. Nonetheless, purely for information purposes, let me say that there had been no single passenger death on the BDZh from 1981 to the black 14 September of 1988. However, the blood fees paid within the department have never been of interest to the public.

But here are the real little figures of impunity considered differently: In 1987 alone penalty orders were issued for more than 6,000 members of the railroad personnel and more than 550 were disciplinarily dismissed; the figure of those demoted in grade is close to 600. I do not know the way these figures are correlated with such sad indicators in other sectors and I do not claim that this is the best model for the future. I know, however, that here no one whose action has merited punishment has received a slap on the wrist. No one. Let us not mention cases which result in a breakdown or an accident, for like natural disasters, no one wishes them, yet they happen.

Like in any other difficult profession, here as well we have not only the penalties based on administrative proscriptions. There also is the internal and purely human intolerance of anything which undermines the normal rhythm of life. Here the liar is nothing but a liar, which means scorn. The thief is simply a thief and this too means scorn. The swindler is a swindler to anyone and is to be scorned. This is a harsher sentence than any disciplinary order or fine. No one as yet has undertaken to compute its contribution to improvements, for no statistical figures are kept in this case.

But let us go back to those few indicators borrowed from the bulletin of the International Railway Association. As we have seen, only 22 percent of the entire length of our excessively short railroad tracks are double. Let us also recall the payload figure which is 6,040.8 tons per kilometer of track, which is the third highest in Europe! What does this show? It shows an amazing result of intensive loading! However, this should please us as much as it should worry us, for it means a train density without clearance, with all the consequences of this fact. The fact that these sections with double tracks are so few leads to the other fact that, unfortunately, delays are rounded up, which, in turn, offers unsuspected opportunities for otherwise legitimate criticism, even during the period of the centennial anniversary.

It is for precisely this reason that between 1981 and 1987 230 million leva annually was spent, all of it for "technological updating." Expenditures planned through 1990 will average 316 million leva annually. Anyone who has taken even a single look through the window,

when the train slows down, would have seen along the double track section some strange machines clutching tracks: the new set of tracks to be added to the insignificant 22 percent.

I started talking about millions and I would like to take a look at the current financial situation of the BDZh.

In our country the railroads have been owned by the state since 1888. They are managed by the railroad workers or, respectively, the BDZh Economic Trust, which means that problems of investments cannot be solved arbitrarily, for this is a link in the global economic policy of the state. Let us point out that the rates for passenger traffic are one-quarter those of Europe. Now, under the conditions of self-management and self-financing, the situation is roughly the following: The economic profitability of the BDZh is less than one! Why? Are the railroad workers working less than they did in 1980, for instance? Absolutely not! They work better and more. So why then?...

Briefly, for if we tell the full story this entire newspaper would not suffice, it is that the BDZh Economic Trust owes huge amounts of money to the Bulgarian National Bank, the price of electric power has risen by 55 percent and so have the prices of fuel and materials while the rates for passenger and freight transportation have remained unchanged for a number of years; let us add the expensive technological updating paid for by the BDZh alone. All of this and more annually gobbles up the profitability of this sector, which is among the lowest compared to the other economic sectors. From passenger transportation alone the BDZh annual losses total some 100 million leva; the Nadezhda coach depot alone takes annually from the income of its hard working people the round figure of 300,000 leva to pay for the tireless "civic" activeness of those who endlessly steal things from the coaches, cut up upholstery, break windows and mirrors. Therefore, let us consider in the most accurately possible light the question of increasing this type of transportation in serving the public. Over the past 5 years alone the increase has been 11 percent, which, in absolute figures, is the equivalent of 128(!) trains which not only do not contribute to but even detract from earnings.

But, since the thus outlined policy of the BDZh cannot be explained in terms of common economic sense, does this not indicate that there is something superior to it? My sole explanation is the moral responsibility to society.

How many enterprises in our country have been unable to pay the wages of their workers for 3 consecutive months? They may be few but the railroad workers were among them. At this point anyone could easily solve this problem but with such a solution all we would see would be the rushing freight trains blowing away discarded paper along empty platforms, as they rush by. And who needs this? For purposes of information let me merely

mention that state subsidies of railroads are a worldwide practice. This is done throughout the world! Subsidies without interest rates or taxes! In all countries the major projects in the infrastructure and its updating are paid out of state funds and allow the railway administrations manage and exploit them. In our country this is by no means the case. Furthermore, with the new tax rate 69 percent of the profit of the railroads will be appropriated, as well as more than 50 percent of the income in foreign exchange, a fact which hardly agrees with the July party concept of a new economic approach. Yet this precisely is the key to real, not only verbal change. Otherwise what kind of qualitative new growth could we be talking about? And in general, how could it be accomplished under such circumstances?

The one-sidedness of such a BDZh policy, however, makes the scale of moral responsibilities quite unbalanced.

According to Resolution No 75 of the Council of Ministers (24 December 1980), between 1981 and 1985 the then ONS was to provide a total of 5,000 housing units to meet the needs of the railroads. I believe that the way this resolution is being observed in some of the main railroad centers in the country would paint the picture: Varna: 400 units promised, 90 delivered; Pleven: 300 promised, 78 delivered; Ruse: 400 promised, 54 delivered; Sofia City: 920 promised, only 111 delivered!...

In practical terms, Council of Ministers Resolution No 75 did not solve the social problems of the railroads, for it was criticized at the lower power echelons, and the Bulgarian railroad worker remained only with bare hopes and promises. He should be given a greater social prosperity, moral prestige and a legitimate priority in the social scale of values.

In the first 8 months of this year alone the number of railroad workers was reduced by 1,596 compared to the same period last year! The T. Kableskov VNVТУ, which is the main "producer" of operational cadres in the railroads, owes the railroads 3,133 specialists. Broken down by year from 1981 to 1988, to put it mildly these figures show an alarming trend: increasing disparity between requested and assigned cadres, as follows: 1981: requested 763, assigned 531; 1988: requested 900, assigned no more than 344! The fathers and mothers of these boys simply buy out the contract and their sons look for other jobs. Meanwhile, a locomotive engineer, a traffic controller or a safety system mechanic cannot be recruited from the street. But how could such people be kept in their profession? Is it with shining buttons and badges?... Hardly. And how, under such circumstances, could there be a question of choice, of strengthening the healthy nucleus of railroad men, and how to eliminate entirely unsuitable people in this profession, who are the main reason for the black percentage figures of the "subjective factor?"

Today the Sofia railroad junction must pay to the Sofia City People's Council 5,000 leva per worker granted temporary residency. Such is the cost of temporary residency in Sofia! In 1987 the railroads purchased temporary Sofia residency worth 2,430,000 leva! What a managerial parasitism! Nonetheless, the municipalities in the capital and elsewhere consider the railroad workers their least concern.

I also wanted to mention the daily express train of the BDZh and the dream of the railroad workers, some 15 years old, named "Seagull," and all of our typical features which contributed to the frequent stops of this "flight" to Varna.... I also wanted to mention many, many other things. However, we cannot speak of everything and the July BCP Central Committee Plenum is giving us an optimistic feeling that change will come soon. Its train is whistling in front of the signal indicating the beginning of Bulgaria's second century of railroads. The old brake shoes are still squeaking but the train is running. It is coming. It is bound to come.

Editorial Note

It has become obvious that the articles by Slav G. Karaslavov (LF, No 27, 30 June 1988) and Khristo Karastoyanov (LF, No 36, 1 September 1988) and the recent three severe accidents are a subject for serious and profound discussion not only of the work and organization of the Bulgarian State Railroads Economic Trust and the Ministry of Transport but also of important basic problems.

The editors of LITERATURE FRONT will also publish the views of other specialists and citizens who would like to participate in this timely discussion.

CZECHOSLOVAKIA

CSSR Chemical Industry Development Discussed
23000043b East Berlin AUSSENWIRTSCHAFT in German 5 Oct 88 pp 28-29

[Text] The chemical industry is one of the leading industries in the CSSR's economy. Currently it constitutes about 14 percent of the country's industrial production. The largest chemical enterprises include Slovnaft (Bratislava), the chemical factories in Litvinov, Kaucuk (Kralupy nad Vltavou), Spolana (Neratovice), Duslo (N. U. Sala), Lachema (Brno), Synthetia (Pardubice), the J. Dimitrova Chemical Works (Bratislava) and Barvy a laku (Prague). Overall, the industry has approximately 170,000 workers.

Meeting the requirements of the CSSR's chemical industry for raw and other kinds of materials is accomplished primarily by imports, mainly from the socialist countries. Domestic deposits of mineral resources are limited. Only kaolin, barite, gypsum, lime and dolomite are mined on an adequate scale. Deliveries of raw materials

from the CEMA countries are of fundamental importance for the chemical industry. Thus, the CSSR receives petroleum and natural gas from the USSR, but also half of all imported phosphates. Sulfur comes largely from the Polish People's Republic (VRP) from enterprises which were built with the help of the CSSR. The CSSR imports soda ash from the GDR, the Socialist Republic of Romania (SSR), the People's Republic of Bulgaria (VRB) and the VRP, potash comes primarily from the GDR.

In the 1960's and 1970's the CSSR's chemical industry developed at a rapid rate, given the conditions for expanding petroleum refining. In this period a number of enterprises came into being to produce large tonnages of basic chemicals, plastics and synthetic fibers, and the output of rubber products grew. In subsequent years the general direction was toward better processing and more intensive utilization of raw materials and energy sources as well as accelerated development of small-tonnage chemical products.

Production of chemical products increased by a total of 10.6 percent in the Seventh 5-Year Plan (1980-85). At the same time the intensity of material used in the industry's production decreased by almost 10 percent.

In 1987 chemical production in the CSSR rose by 3 percent compared to 1986 (the plan called for 1.5 percent; for the industry overall: 2.3 percent), including 3 percent in the chemical and petroleum processing industries, 2.9 percent in the rubber and plastics processing industries, and 5.8 percent in the pharmaceutical industry. The output of fine chemicals showed an above-average increase while the yield of mineral fertilizers declined. In the first half of 1988 the industry's output increased by a total of 3.7 percent as compared to the corresponding period in the previous year.

At present the CSSR produces about two-fifths of the total array of chemical products which are manufactured throughout the world. In this the share of heavy-tonnage products continues at a high level. The share of improved products in overall chemical production is approximately 15 percent in the CSSR whereas in countries with comparable basic conditions it amounts to 23 percent.

Tasks for the Eighth 5-Year Plan

At the Eighth CPCZ Party Congress the chemical industry was mandated to concentrate on the chemistry of refining and to increase the share of petroleum refining with new products. The goal is full utilization of raw materials and energy and accelerated development of the research-intensive and highly developed sectors. Dependence on NSW [nonsocialist monetary area] imports is to be further reduced and the CSSR's contribution to the division of labor between the socialist countries is to

continue to increase. In this connection the solution to the tasks which were set in the state objectives for the Eighth and Ninth 5-Year Plans is of particular importance.

In the years of the Eighth 5-Year Plan (1986-90) chemical production in the CSSR is to be increased by 12.7 percent as compared to the previous plan period, including the goal of almost doubling the share of fine chemical products in the total to 30 percent. The plan calls for reducing material intensity in the industry by 13.2 percent by 1990 in the CSSR as compared to 1985 and by 11.8 percent in the SSR. Investments in the chemical industry are to reach a level of Kcs32.2 billion.

The further development of chemical production is directed in particular at manufacturing such products as additives for polymers, lubricants and fuels as well as pesticides, chemical reagents, materials for the electronics and pharmaceutical industries, medicines, bioproducts, organic dyes among others. Construction of plants for the comprehensive processing of pyrolysis products is also planned. Expanding the variety of insulating materials for the construction trade and plastics for the vehicle industry is also planned; at the same time production of substances which are harmful to the environment is to be reduced.

Extensive Expansion of Capacity and Assortment Planned

In the petroleum sector construction of a cracking plant in the chemical works in Litvinov was completed this year. In 1989 construction of a similar production unit in the Slovnaft Combine in Bratislava will begin. Both plants will provide deeper processing of petroleum by more intensive use of the petrochemical production capacities for polyethylenes, polystyrene, and synthetic rubber.

The plan calls for beginning construction of plants to produce alpha olefins before the end of the 5-year plan (capacity: 100,000 to 120,000 tons per year). The products which will be produced there later on are to be sent primarily to the USSR.

Completion of a number of plants for lubricant additives is likewise planned by 1990 in the Petrochema enterprise (Dubova), the J. Dimitrova Chemical Works and at Slovnaft; this will not only save the CSSR imports of such additives amounting to Kcs200 million, but in addition the CSSR will be able to effect related exports.

The CSSR's chemical industry is devoting special attention to the development and production of additives for polymers, particularly those to manufacture rubber products. The Eighth Five-Year Plan calls for building plants to produce Sulvenaxa ZB/K (capacity: 10,000 tons per year) and vulcanization inhibitors (3,000 tons). This will significantly increase the CSSR's share in the overall production of polymer additives within CEMA and open

up additional export opportunities. In addition, during the Eighth and Ninth 5-Year Plans there are projects related to manufacturing adhesive and antistatic additives and new kinds of antioxidizing agents; these projects will be realized through close cooperation with the USSR and other socialist countries.

Since 1985 the CSSR has been building capacities to produce semifinished products for organic dyes. In the course of this 5-year-plan period, plants to produce reactive dyes will begin production. The assortment of organic dyes which is manufactured in the CSSR comprises about 300 products which are organized in 32 technological groups; their manufacture is based primarily on domestically produced semifinished products. At present mainly organic pigments and dispersion, reactive and vat dyes are imported from the NSW. In the agricultural chemicals sector the Eighth and Ninth 5-Year Plans are based on developing new kinds of herbicides, insecticides, synthetic pyrethroids, agents containing iron, biological agents, and growth regulators. At present, the CSSR depends to a relatively high degree on importing pesticides and various kinds of fertilizers (for example, superphosphate).

During the current and subsequent 5-year-plan period the CSSR's pharmaceutical industry will concentrate its research and development activities particularly on anti-tumor drugs, drugs for cardiac and vascular diseases, psychotropic agents, antihypertension drugs and synthetic antibiotics.

The production of medications, which is concentrated in the Spofa economic association, comprises about 800 kinds of preparations of which a significant share is exported. About 300 different preparations are imported.

Very pure chemical compounds are produced in more than 60 enterprises in the CSSR. The leaders in such production are the Lachema and Safina associations which manufacture products using precious metals. The variety of products manufactured by Lachema includes chemical reagents for research, chromatographic materials, diagnostic agents, chemicals for the electronics industry and photographic chemicals. In order to expand production capacity construction of facilities to manufacture diagnostic agents, chemical reagents and very pure gases was begun in the Seventh 5-Year Plan. The current 5-year plan is basically oriented in this sector toward meeting the requirements of the electronics industry.

USSR the Primary Partner in International Cooperation

Cooperation in the context of CEMA and deepening cooperation are also of great importance for the CSSR's chemical industry, especially in view of the high import requirements for raw and other kinds of materials.

Therefore, in foreign trade it is oriented toward a growing share of products which are obtained through specialization and cooperation and at expanding direct relations between the CSSR's chemical enterprises and those in other socialist countries. Thus, the bilateral agreement between the CSSR and the USSR to exchange special chemical products for energy-intensive products has a high priority.

In the area of specialization and cooperation in chemical production four bilateral agreements between the CSSR and the USSR are being realized, three of which concern developing small-tonnage chemicals. In the context of one of these agreements the CSSR receives methanol, rubber, high density polyethylenes and ammonia in exchange for dyes and polymer additives.

Another agreement refers to the exchange of very pure chemicals, aids for the textile industry and catalysts, while a third agreement involves the CSSR in delivering additives for rubber products to the USSR in exchange for liquid chlorine, synthetic rubber, and very pure chemicals.

In addition, a number of chemical enterprises in the CSSR signed agreements to initiate direct relations with the corresponding industry organizations in the USSR.

In addition to the bilateral agreements, six multilateral agreements within CEMA between individual organizations (for example, relative to producing pesticides and polymer additives) are being realized as are nine bilateral agreements at the enterprise level (among others, concerning delivery of pesticides to the Hungarian People's Republic and the SSR and polymer additives to the GDR).

A 60-percent share of specialized products in the CSSR's total chemical exports is the goal by 1990. The value of exporting these products to CEMA countries is to increase in the Eighth 5-Year Plan by 92 percent over the Seventh and the value of imports is to rise by 127 percent.

Increasing Share of Exports of Small-Tonnage Chemicals

In 1987 as compared with 1986, CSSR exports of chemical products, fertilizers, and rubber increased by 10.8 percent to Kcs7.69 billion. In this connection exports to the SW [socialist monetary area] countries increased by 13.2 percent to Kcs4.59 billion and exports to the NSW countries by 8.4 percent to Kcs3.09 billion.

In 1987 the CSSR's imports of related products achieved 10.4-percent growth to Kcs9.21 billion, including a 15.6-percent increase in deliveries from SW countries worth Kcs4.92 billion and a 4.9-percent increase to Kcs4.29 billion from NSW countries. For the current 5-year plan period the plan calls for increasing CSSR exports of chemical products to SW countries by almost 36 percent

and by more than 23 percent to NSW countries. As a result of expanding the output of small-tonnage chemicals the CSSR will be in a position during this period to reduce related imports by almost Kcs1 billion. The CSSR's SW exports of fine chemicals is to reach about Kcs1 billion in 1990, NSW exports Kcs 300 million.

GERMAN DEMOCRATIC REPUBLIC

Private Economic Sector Performing Favorably
23000059 Magdeburg VOLKSSTIMME (Supplement)
in German 25 Nov 88 p 1

[Article by Christa Hort: "On a Visit to the 'Privates'"]

[Text] Their workday has long been under way by the time we arrive at the Schleef family's place in Tangerhuetten on this November morning. Already deliveries have been made to the retail outlets and bulk customers. A truck belonging to the Stendal Fruits, Vegetables, and Table Potatoes Trade Association (OGS) is in the process of being loaded with the purchased fruits and vegetables under the supervision of Father Schleef. She, Margot Schleef, who had been a wholesale buyer in addition to her normal work from 1969 on and has been running the business "full-time" now since 1985, is sitting in her small office and concluding a contract for cucumbers and black salsify with a small-scale farmer—a contract for 1,200 of them in the coming year. Daughter Silke (20) climbs behind the steering wheel of a "Carpathian donkey." Son Richard climbs aboard and off they go to Birkholz where they have buying to do at 10 am. Later, at 1 pm, they are to continue on to Mahlwinkel.

The day before, the Schleefs bought produce from people in Schernebeck, and towards evening they purchased from small plot gardeners in Tangerhuetten. Tomatoes and carrots, radishes and celery, root parsley and black salsify, lettuce and leeks, garlic and cauliflower, kohlrabi and dill, Chinese cabbage and pears, apples and...Vitamins for the four markets, four restaurants, three enterprise kitchens, and two school kitchens that are their customers—and for the wholesale trade, of course.

"Since so much value is being placed on self-sufficiency in our country, buying 'on the side' will no longer do," says Margot Schleef, a trained commercial wholesaler. She became a wholesale buyer, one of the 57 in the Bezirk who by the end of October of this year had purchased 22,871 tons of fruits and vegetables. To put an end to the Schleefs' traipsing around while buying in Tangerhuetten—"here in a barn, there in a stall"—they moved out of their Worker Housing Construction Cooperative (AWG) apartment in 1977 and into their own home, which they had built—thanks to credit and a lot of energy—at an unbelievably rapid pace. It comes with a small buying shed, storage facility, and even with a small office in which Margot Schleef is now sitting across from us. Behind her, a personal computer. Since she has had

this helpful little fellow—originally a hobby of her husband—she is "approachable again" and she knows once more "what a summer evening is" since in season there are about 500 strawberry customers alone each evening! The writing and the calculating used to last into the night. Now, however, she is quick-witted and articulate.

We read what the printer spews out and discover that wild fruits are purchased in addition to the hundreds of tons of fruits and vegetables—blackberries, mushrooms, and elder—and 900 kg of medicinal herbs. How about that. Here, too, they get involved and even dry the herbs for the most part themselves in rented rooms in their neighbors' homes.

"It could not all be done alone," says Mrs Schleef. Now even the children—perhaps temporarily—have switched careers. "My husband is the organizer, we are a team" which—to stay with the metaphor—gets into harness at 5 am and knocks off after 9 p.m. during the season, and which in the winter does not just rest up, but merely goes at a calmer pace. Because even then they still bring us black salsify and kale, nuts, apples, and leeks....

Towards noon we drop in at the Hotel "Zum Altmaerker" in Seehausen. Owner: Alfred Wendig. We will eat first, we think, then introduce ourselves and ask questions. We order and have hardly looked around when the food already arrives. Things have to be done smartly here because around us sit subscription patrons—about 100 each day as we learn later—and they do not have much time. That is just fine with us. It tastes good. We pay and ask for Alfred Wendig, but we overlooked the most vital factor, did not announce ourselves, and now he is not there. And that is that. So we interview his wife, take a look at everything, and think time and again: "Very resourceful, Mr Wendig!"

A lot changed after he purchased the house years ago with the hotel and restaurant that had long been closed. The skilled carpenter, who later retrained as a restaurateur, apparently still gets itchy hands. A former stable was transformed into a tidy bunkhouse, a barn became his living quarters, the hotel rooms were modernized with bath and toilets, and only recently a wine tavern and more room for the kitchen, as well as additional hotel rooms, were created by an addition to the building. Backing was provided by credit and his own considerable accomplishments. In the courtyard, a small parking area and next to it an old bus converted into a catering vehicle with cooking facilities which they take to riding parties, enterprise picnics, and wedding eve parties..."Manfred has always got something new going. Right now he is building something again, a kiosk," says Mrs Wendig.

Youth dedications are celebrated in the "Altmaerker," and Fridays there is a dance with the solo entertainer "Radio Beuster," and there are morning pints and the waiters and waitresses were recently at the tailor, and on the wall hang not only many historic photographs, but

also the certificate of refined hospitality. In the garden behind the courtyard we discover a small, glass enclosed building: a swimming pool. Do they use it much? "Sometimes." What do they not have? "Time" says Mrs Wendig. "We have never had it. Even during vacations there was usually building and painting going on. And now he has got visions of a meeting room in his head... But it would be better if you were to actually meet my husband...."

And we succeed in that. We stop his "Volga" at the water mill in Osterburg. Manfred Wendig smiles as we tell him in telegraphic style what we have seen and heard and that it certainly looks to us as if there could be room for tables at the kiosk... He observes that we know almost everything and excuses himself for not having been able to offer us a beer but he had to go to Stendal to the wholesaler for everyday necessities (WtB) and household goods, and he also needs a permit. For the evenings of building during the pre-Christmas period....

It is already beginning to get dark by the time we finally spot the Geisler trucking enterprise in Tangerhütte—besides him, there are 500 others in the Bezirk. "My husband is at the garages. He has been there a long while and you can get ahold of him there," the young wife says emphatically. And there he is, Lutz Geisler, washing one of his three "W-50's." "Usually the last thing in the evening" he says, "but frequently much later than that even." We let him wash and we carry on a conversation on the side because it is getting darker and darker and the truck has to be shiny clean yet today. The new day begins already during the night for Lutz Geisler and his colleagues. He laughs when he sees our horrified face. Getting up at 2 or 3 am—even that is usual.

Lutz Geisler worked at Rostock Harbor for many years and dreamed his dream: He wanted to travel far. He does that now in a completely different way. In 1986 he took over the parental trucking enterprise which his mother had had up to that time.

What does he haul now? "No furniture—other than that, everything" he says. He hauls for the pressboard works and for OGS Trade, for road construction, and for the brewery... In sync with the rhythms of the national economy's circulatory system. The hauling orders come from Stendal Road Transport and are optimally scheduled by computer, and the outbound and return loads are arranged. "That is less work for us because Road Transport makes out the bills of lading right away." One of his colleagues was in Berlin today with pressboards, he was at "Edgar Andre" in Magdeburg with the same kind of load, and tomorrow there will be trips to Radeberg and to Zeulenroda. And if Tangerhütte residents should want to move? That is worked into the schedule between jobs. "Many people here have moved into our new housing," says Lutz Geisler. Since one of his "W-50's" is a dump truck, it is used in winter road clearing. Full-time. Whether there will be a quiet Christmas depends

on the ice and snow. The trucks are always rolling—through wind and weather—and sometimes the drivers must overnight in their trucks.

Now it is dark. We start home full of respect for the work of these "privates" in supplying the populace with goods and services. Lutz Geisler will surely go to bed soon in order to be ready to work again at 2 am. Things will be in full swing at the Hotel "Altmaerker" until 11 p.m., and perhaps the light is still burning in Margot Schlee's courtyard. Or maybe not—thanks to the computer.

[Boxed item: There are 3,126 private tradesmen in our Bezirk, including wholesale food distributors and innkeepers, distributors of industrial goods and coal, wholesale commercial buyers and exhibitors, and landscaping and trucking businesses. Some 13.3 percent of the Bezirk's grocery stores are privately owned, 35.2 percent of the industrial goods stores, and 37.6 percent of all restaurants. Of the Bezirk's 501 private trucking businesses, 242 of them haul goods of all kinds. During the first 6 months of 1988 they accounted for 51.2 million tons—one fifth more than in the same time period of the previous year.

The "privates" have always been a part of our national economy. Many resolutions have been adopted by our state to support them in their vigorous cooperative effort for a good supply of goods and services to the population. There is extensive credit and there are permits for new businesses, primarily for those which are especially needed by the populace. A manifestation of the alliance policy. The "privates" also live well in our Republic. They use a lot of their profits for the beautification of their businesses and for additional restaurant capacity. And they are full of confidence, for they know that they have their own secure place in our socialist Republic and they, therefore, consciously participate in shaping it.]

Regime Courts Religious Minorities

23000051 Hamburg DEUTSCHES ALLGEMEINES SONNTAGSBLATT in German 20 Nov 88 p 17

[Article by Matthias Hartmann: "Hooray for the Niche"; first paragraph is DEUTSCHES ALLGEMEINES SONNTAGSBLATT introduction]

[Text] Thrifty, diligent, positive—that is why the SED likes the Mormons. Numerous sects in the GDR are pulling back to the religious realm. In return, the state is coddling them.

"In principle, the church is not at the disposal of those who are seeking a platform there, or a roof for opposition, or to pursue 'special or group' objectives that can in no way be reconciled with the tasks of the church and its declared objectives." At the end of October, NEUES DEUTSCHLAND, the SED central publication, even used its commentary space for this nice manifestation of

social self-limitation. It went on to say uprightly: "The unvarying principle was and is that we do not wish to see the authority of the church linked with political influence."

The author of this obedient statement of intention at a time of continuous friction between the state and the Protestant Church about social problems was the "Presidency" of the "Church of Jesus Christ of Latter-Day Saints in the GDR," better known as the Mormons. The newspapers in the GDR obviously made an effort on behalf of the Mormon Church, whose leader from the United States was, after all, received by Erich Honecker. The media highlighted the dedication of new parish centers of the worldwide faith, which has just 4,000 members in the GDR.

In this way, the SED was able to show public tolerance towards believers. In his meeting with the Mormons, the chief of state and party thus stressed the constitutional equality of rights of all churches and religious communities.

It is not very difficult for the SED to be in harmony with the archconservative community with a U.S.-American bent, for it—in contrast to the national Protestant churches—does not concern itself with social matters. Mormons require political obedience and loyalty toward the respective governments. Naturally, according to the statement quoted at the outset, the Mormons would comply with their "duty to perform military service." In return, they will be rewarded with the possibility of unlimited exercise of their religious life.

The atheistic party has accepted the existence of religion for the time being and the Mormons ignore internal political processes, because they are oriented toward a world church. In addition, both sides show the same characteristics of moral conservatism and narrow-minded decency. The SED also appreciates in the developed socialist personality the characteristics of "sobriety, thriftiness, diligence, and joy in learning" inherent in Mormons as well as their "positive attitude toward life."

Beyond that, construction projects that will bring in millions in foreign exchange are also worthy of promotion. More than a dozen new parish centers are to be built in the GDR by 1995. A temple for ritual practices such as ancestral baptism was already dedicated 2 years ago.

The national Protestant churches are eyeing the zeal of the Mormons with suspicion. The building of the temple in the Saxon city of Freiberg and the associated publicity and tourist appeal have caused the churches to differentiate themselves clearly. Mormons are not a Christian faith, states a publication of the Work and Research

Enterprise of the Protestant Churches in the GDR. Especially the secret temple rituals stand for a religiosity "that is completely foreign to the Biblical and Christian message."

Officially, no one on the side of the national churches uses the discriminating term "sect" any longer. The term "religious communities" was coined for those religious groups that do not belong to the Working Group of Christian Churches in the GDR (ACK). Church observers count some 150 different churches, communities, groups, and sects of Western and East Asian character between the Baltic Sea and the Erz Gebirge. Only 39, including the national churches, are officially allowed. It is considered certain that there are disciples of the Indian Bhagwan or the Hare-Krishna sect but the security authorities are not concerned with crushing these groups.

The largest of the illegal communities is the Watchtower Society, commonly called the Jehovah's Witnesses. The Society, forbidden in the GDR since 1950, counts up to 30,000 adherents, who are obliged to take part in missionary "field service." Pronounced anticommunism and the refusal of loyalty to any state, the tool of the Antichrist, led to a ban under Walter Ulbricht. Since the "Witnesses," organized worldwide, are directed from the United States, it was easy to fabricate the charge of espionage and sabotage.

Although still prohibited, the Jehovah's Witnesses are conspicuous through their zealous mission work. They must dedicate their 1-year leave to advertising themselves and recruiting members from door to door. If they are too obtrusive in doing so, the people's police will pick them up, although, to be sure, the consequences of this would not be too serious. The refusal to take part in armed military service and work as construction soldiers regularly led to prosecution. Since the total objectors in the Protestant Church have recently been spared criminal prosecution, there has been no more word of prison sentences for Jehovah's Witnesses either.

The example of the Seventh-Day Adventists in the GDR shows how inadequate the definitions of church, free church or religious community are. To be sure, they are represented with observer status in the ACK but are designated as a religious community. Observers describe them as on the way to being a protestant free church. The place Friedensau near Magdeburg is a purely Adventist village, in which the chairman of the parish council and the mayor are one and the same. The Adventists—there are 12,000 in the GDR—put special value on their own commandments, which follow Jewish or Old Testament tradition. No work is done in Friedensau on Saturday, the Sabbath. Only the boiler operator is allowed to perform his duties during cold weather.

What distinguishes the Adventists from the religious communities is above all their renunciation of any pretense of exclusivity and of the massive anti-ecclesiastical movement that characterizes the New Apostolic

Church, for example. Almost 100,000 followers and members make this community the largest religious group in the GDR after the national churches. In their own understanding, they alone interpret the Holy Scriptures correctly and are the chosen group that has renewed the original church in a new community of apostles.

They describe their relationship to the state as harmonious, because state authority may not be questioned. The "specifically Christian contribution" must consist in "comprehensive" support of the state and society as representatives of a humanistically oriented social development, without critical interference in the society, however. Other apostolic communities with between 1,000 and 5,000 members each are the "Community of Godly Socialism—Apostolic Office of Jude," the "Apostolic Office of Jesus Christ" and the "Reformed Apostolic Union of Congregations."

Another religious community, the St. John's Church with still just under 3,000 members, is presented again and again by the SED as evidence of its tolerance in ideological matters. It too is effusive in attesting its sympathy for the church policies of the GDR leadership. It drew attention to itself in the spring through a verbose declaration that the SED party newspaper printed just as it did the Mormon text. The declaration expressly rejected any political influence.

With its demonstrative good conduct toward these small communities, the SED is obviously signaling the Protestant churches that there can be no doubt about freedom of religion and faith but that socially critical commitment will lead to conflict.

But the pompous appearance of the Mormons in the GDR has revealed even more: Foreign-policy credit points for the GDR Government are by no means achieved only through good conduct toward Protestant Christians. Thus, Erich Honecker seems to have come a small step closer to his political goal of being invited to Washington—by caressing a community that, to be sure, is of only marginal importance in the GDR but whose members hold responsible positions in the U.S. Government.

POLAND

Current, Coming Trade Requirements With EEC Noted

26000218a Warsaw ZYCIE WARSZAWY in Polish
3 Nov 88 p 5

[Article by Eugeniusz Waszczuk: "Barriers and Opportunities"]

[Text] One may ask "What next?" now that several months have passed since 25 June 1988, when a joint declaration on establishing official relations between the

Council for Economic Mutual Assistance and the European Economic Community was signed in Luxembourg. Certainly, this fact is tremendously important in its own right because it is an essential element in the slow removal of barriers dividing Europe, and is tied closely to favorable changes under way in international relations.

A stage has come to an end in which two large economic groups sort of pretended not to notice each other for decades, despite their members' maintaining economic relations between them. To be sure, such relations were burdened by various restrictions that would undoubtedly have been smaller had normal relations between the EEC and the CEMA existed. The signing of the declaration shows that both parties favor the plan of normalizing mutual contacts and cooperation.

However, experience shows that, for many a declaration, the road to specific results was long and difficult. This should not necessarily be the case with the CEMA-EEC relations. However, we should be aware that much resistance and many obstacles are to be overcome on the way to a complete normalization, as a result of, say, the existence of differences in interests among individual members within the EEC which occasionally come to the fore.

Thus far, we may note that shortly after the signing of the declaration, as early as July, all European CEMA countries, except for Romania, established relations with the EEC. Somewhat later, Cuba also did so. Following this preliminary step, negotiations with the EEC became possible for individual CEMA members.

In September, representatives of the Polish side held talks with the EEC Commission in Brussels. In the parlance of official communiques, "they proceeded in the spirit of understanding and goodwill," they affirmed agreement with regard to the principles of trade, marketing, etc. However, they did not eliminate the main bone of contention to date—restrictions on Polish access to the West European market.

These restrictions cover about 170 products turned out in our country. On top of that, these goods in different EEC countries vary—in some, these are glass products and porcelain, in others, cement and electrical equipment; one country wants no part of Polish hats, and, say, the FRG, Polish canisters. These are the obvious signs not only of the overall economic policy of individual states, but also of a good many industrial lobbies looking out for their interests.

Hungary, which is the country most advanced in the CEMA in economic changes and in relations with the EEC, has secured the agreement to cancel restrictions of this type, beginning in 1995.

In preliminary talks, the EEC Commission has offered to the Polish side to eliminate these restrictions gradually, without setting a specific date. In turn, Poland is striving to have an exact date set.

Early next year, negotiations on this topic will be held. Let us hope that their results will permit Poland to develop trade with Western countries on a broader scale, which is needed both for restoring normalcy in the Polish economy and for paying the foreign debt.

The issue is all the more acute because it involves the need to adjust to changes under way in the EEC. By 1992, profound integration of the states in this group is expected to occur, barriers to the transfer of capital, goods, services etc. are to be eliminated. Completely uniform standards and norms for individual products will appear.

Given this changing situation, it is all the more necessary to abolish restrictions on the delivery of Polish goods to West European markets. As it is, restrictions in effect in a Western state will have to be either extended to all of the EEC or, in some cases, they will cease to apply. This could be the case with, say, Polish canisters, which would be able to reach the FRG through Belgium or the Netherlands. With a view to avoiding complications of this nature, as typified by this small example, it would be most favorable for both parties to cancel restrictions on trade with Poland.

Along with this issue, there is another, no less important one. For Polish goods to be able to appear in the EEC market in the future, it will be necessary to adapt them to general European standards. This will require some effort, but in many cases will be particularly useful for our producers. For example, at present, Polish Fiats have to be adapted to different requirements in 18 countries. The situation will change at least in deliveries to the EEC countries, where uniform standards will apply.

The Polish side has either already taken or is preparing to take certain steps in this area. For example, the Ministry of Agriculture, Forestry and Food Industries is making requisite arrangements with the corresponding divisions of the commission in Brussels concerning sanitary and veterinary standards. Likewise, the Polish Committee for Standardization, Measures and Quality established contacts with corresponding EEC agencies. The Office for Scientific-Technical Progress and Implementation and the Main Customs Administration are doing likewise. Also, the Ministry of Transportation, Navigation and Communications is making requisite preparations in this field.

These are necessary centralized measures emanating from the top. The issue is for our enterprises, gradually becoming more autonomous, to take requisite steps on their own at the appropriate time. To accomplish this,

they need the broadest information available. The enterprises may obtain such information on their own; however, it is also expedient for the Polish Committee for Standards, Measures and Quality to set up a data bank, whose services may be used by interested units.

The Main Technical Organization should also play a role in this, through, among other things, its publishing operations. This is also the case with the Polish Chamber of Foreign Trade, which may transmit the necessary information through, among others, its magazine RYNKI ZAGRANICZNE.

All of these are significant issues, but they are merely preliminary, paving the road for proper actions in the economy. Solutions on which the results of our broader contacts with the EEC will hinge will be found in industry, agriculture, crafts, and in broadly defined services.

The removal of barriers thrown up by the EEC, which, one hopes, will occur sooner or later, will only be fully significant when we can take advantage of greater opportunities by offering goods of adequate quality and in adequate quantities. This is part of the reason why such a great emphasis is placed on the export orientation in the restructuring of our economy.

Unfortunately, this is still theory rather than economic practice. As is known, the performance of our exports per capita gives us a distant ranking among European states. The need to achieve marked progress in this field is obvious.

Establishing economic and technological cooperation with the EEC, a difficult and demanding partner, on the principle of mutual benefit may become one of the elements giving an impetus to Polish participation in international trade.

Private-Enterprise Tax, Hard Currency Accounts Rules Attacked

26000190a Warsaw KONFRONTACJE in Polish
No 9, Sep 88 p 24

[Article by ZW: "Attention! Absurdities!"]

[Excerpt] Some state and cooperative companies now pay a dozen or so different [categories of] taxes. One of the latest inventions of our tireless tax collectors is a tax bearing all the signs of repression which is levied on enterprises giving work to private subcontractors who do not pay the compensatory tax. Small specialized private companies, for which the green light was given have thus far been very convenient for general contractors, and have filled the gap in the labor market. Apparently, they have become a thorn in someone's side again, and so a way was conceived to deprive them of work and income. The division of enterprises into socialized and "non-socialized," declared abandoned several times over, was restored, and has discouraged large enterprises from

giving work to the latter. Those who do give it, have to pay extra taxes. It would not be half as bad if there were a surplus of subcontractors.... As it is, work is not being done, the tax is not being paid, the private owner does not enrich himself. However, there is justice (?).

The abolition of the "N" hard currency accounts have met with popular approval. At present, bank affidavits giving the right to take currency abroad bear the brunt of criticism from the populace and the press. Such certificates are issued only to the owners of "A" accounts. Therefore, yet another absurd procedure is in full bloom. Owners of dollars or other convertible instruments, who keep them in the chest of drawers and want to travel to the West or to Yugoslavia, form a long line in order to open an account. Thereupon, 3 days later they return to stand in another long line in order to withdraw the funds deposited and get a requisite affidavit. Absurdity, waste of time!—cry our fellow citizens in possession of hard currency. Is it not enough to make a declaration at the border? However, what makes no sense for some does not have to be nonsensical for others. First of all, the bank charges a fee for issuing the affidavit—the higher the sum in the document, the greater the fee. Usually, it is several hundred zlotys. Annually, a couple hundred thousand of such affidavits are issued. Does this not make sense for the bank? Besides, once somebody has opened an account, he usually does not close it, and leaves the \$10 [the minimum needed to maintain the account—translator's note] in the account when withdrawing funds. Tens of thousands of citizens are opening new accounts. Does this not make sense for the state? [passage omitted]

Economic Consolidation Plans Doubted; Political Dialogue Needed

26000194 Warsaw ZYCIE GOSPODARCZE in Polish
No 43, 23 Oct 88 p 3

[Article by Marek Dabrowski: "A Breakthrough or Standing in Place?"]

[Text] It would appear that the road to radical and consistent economic reform of a market nature is finally beginning to open. Indeed, the long-lasting economic crisis has been such a painful experience to society and the government apparatus, becoming a source of unceasing upheaval and political unrest, that it should cure everyone of illusions as to the effectiveness of half-measures, temporary solutions, and all kinds of palliatives.

But that is not so. An attempt is still being made to preserve at least part of the former economic system and its philosophy. Instead of decisively paving the way for a market mechanism, we are having to deal constantly with efforts to create nonmarket or pseudomarket methods of guiding the economy. Today's illusions have a name: "consolidation plan," "parity commission on price and income matters," and "roundtable."

Consolidation Plan

Karol Szwarc, in an article on the subject of a consolidation plan ("Will It Be the Beginning of a Breakthrough?," ZYCIE GOSPODARCZE No 37/1988), argues with the viewpoint of an anonymous "angry young man," who shows lack of confidence in this endeavor and proposes—as a remedy for Polish economic problems—that the market be allowed to operate freely. Although I have not been young or angry for some time, this proposal seems to be more on-target than K. Szwarc's views. And not just because the proposed name of the plan sounds pretentious and the idea itself evokes an unfavorable association with the past. After all, in the past 7 years we had "the program for overcoming the crisis," "the stabilization program," "the anti-inflation program," and "the thrift program," and all of them ended in a deplorable fiasco. Most of all, I do not believe in the ability to solve Polish economic problems such as lack of balance, an obsolete structure, stagnation tendencies, insufficient innovativeness and competition on international markets, with the help of planning methods.

Where does this skepticism stem from?

The basis for a correct planning choice should be existing and anticipated economic parameters, i.e., broadly interpreted prices (combined with wages, the currency exchange rate, and the interest rate). Yet these, under Polish conditions, are grossly falsified. They do not reflect conditions of balance on the respective markets, the relative scarcity of goods, conditions of balance on the world market, etc. Strong inflation and an unstable economy make all predictions questionable.

A correct set of parameters cannot be created with the help of a centrally conducted price operation. Parameters can be shaped only on the basis of market reactions on a small-scale level. At this point we come to an important theoretical conclusion: Correct, from the methodological standpoint, central planning is possible only under conditions of a market economy. Except that too wide a range of allocational and redistribution decisions in the central plan can undercut the market roots of a small-scale economic analysis and thus, through mutual interaction, imperil the methodological correctness of the central planning. Therefore, central planning which is too expansive (reflecting the extreme interference of the state in economic life), itself undercuts the base of its existence.

The above interdependency points out the only reasonable possibility of associating the plan with the market. Trying to determine, as Karol Szwarc does—following Prof Czeslaw Bobrowski's example—how much of the plan is in the market and how much of the market is in the plan, reminds me, unfortunately, and please forgive the comparison, of counting the number of devils on the head of a pin.

If the central planner does not have market-verified parameters available to him, two solutions remain: arbitrary, voluntaristic solutions or political adjudication of priorities. In the latter, the political strength of the respective branch-sector lobbies decides the future economic structure. Obviously, the sectors which already exist, are strong, and are politically organized (have their representatives among the party authorities, in the Sejm and in the government), who assemble large groups of workers, and therefore, in our conditions, the mining and heavy industry, have a better chance at winning than do the fields whose economic activity is dispersed (e.g., services), or those which should just be formed.

This is not the only characteristic of the central allocational choices which leads to preservation of the present structures in the real economy. Arguments of a balance nature (shortage of a specific product) play an important role in the adjudication. Low efficiency in a centrally planned economy causes much higher coefficients of outlay-intensiveness than in a market economy. Therefore, the demand for production in the raw-materials and energy sectors is correspondingly higher, increasing the political pressure to expand these particular fields. A wide-spread shortage in the economy has a common denominator in the form of supershortages in the early phases of production, which limits the development of final production.

Central allocational choices advocate, by their nature, the construction of new factories and manufacturing facilities, and very large ones, at that. Hence this, and not some other structure of production apparatus of the Polish economy (the dominance of large plants and the lack of small plants), hence the constant pushing of modernization investments to the sidelines.

All central structural solutions do not entail any economic (financial) responsibility on the part of their originators. Members of the highest party groups and political factions, deputies, ministers, officials of the Planning Commission and ministries, do not bankrupt (in the material sense), but all of society suffers the consequences of their decisions. And it cannot be otherwise, even under a full democracy. We can only talk about enforcement of political or official-duty responsibility, but even this brings on (in the case of collective decisions which are the result of multi-level adjudication) serious difficulties. What remains, therefore, using Milton Friedman's well-known comparison, is spending what is not your money on what are not your own needs. Then the limiting factor in economic selection is neither the price nor the usefulness of the undertaking.

The information barrier of the central planner has still another face. It is not just a matter of the absence of correct parameters, but also a matter of the inability to encompass, on the central level, the entire market situation. Hence the planner's choices are of an aggregate nature: priorities within departments, branches, and at the most, sectors, are decided. These are attempts to

choose between metallurgy or agriculture, for example. However, it appears that the problem of structural changes in the Polish economy lies much deeper. It is not unlikely (I am assuming hypothetically) that the development of both metallurgy and agriculture is economically justified. However, correct structural decisions should pertain to specific products or groups of products, applied technologies, patterns, models, etc. On the other hand, only the market is able to make this type of change. The central planner is not able to correctly analyze all of these detailed situations.

The above argumentation is neither new nor original. But I felt it advisable to return to it in view of Szwarc's rather categorical statement questioning the possibility of overcoming the crisis with the help of market methods.

There is not enough space to argue with the author's first statement that "throughout the world, great strategic decisions for over half a century were the domain of state interventionism." I think that if we limit our interventionism to such dimensions as in Western countries which have a market economy (and we are still a very long way from that), it will make sense to take up this theme of the discussion again. Right now we have to concern ourselves with the Polish situation, as Szwarc so rightly says, "here and now," which is an "apogee of an economy of shortages."

In the opinion of the author, "to come out of this situation only with the help of market mechanisms would lead, at least in the beginning, to even greater chaos. The correction in the economic structures would be small, but because of that, inflation would be actually galloping (...) No one could survive this situation, neither the producers nor the consumers. Physically or mentally. It could lead to greater social unrest, with consequences difficult to foresee today. We would be dealing, therefore, with a new form of voluntarism."

I believe that both the theoretical argumentation cited above and practical experience speak against Szwarc's fears. Let us take a look at the countries which during the last few years have been able to overcome backwardness and economic crisis, precisely thanks to the activation of an aggressive market mechanism (the countries of South-east Asia, Turkey, Morocco) and the countries which started from a similar point, in which a statistics-planning model and an excess of state interventionism has brought about an absence of economic balance and tendencies of stagnation (Algeria, Libya).

Anyway, we do not have to reach that far for examples. Let us look at Poland's economy in recent years. Small segments of the market, where relative balance prevails (e.g., the fruits and vegetable market), attribute this to a reduction in state interference and the activation of a free, to a certain degree, economic mechanism. The same applies to modest signs of structural changes and the creation of new fields of manufacture (assembly of

personal computers, information services, etc.). All central restructuring ventures, on the other hand, ended with failure and a further deepening of imbalance.

Speaking about the costs of making the economy a market one (and undoubtedly there will be such) they must be compared with the social costs of continuing the present policy, i.e., replacing a genuine market mechanism with dummy market mechanisms or planning instruments.

K. Szwarc is afraid that producers and consumers will not have enough physical and mental endurance. I would not worry about the producers. It is a fact that in the present system they existed in hothouse conditions, with guaranteed sales for everything they produced, regardless of its quality and utility, and passed the economic risk on to the consumers. Without shock treatment, consisting of reversing the past arrears (the producer should cater to the consumer, under threat of bankruptcy), nothing can be changed for the better. Meanwhile, the consumer can only gain from consistent market reform. He has little to lose. The inflation scenario which Szwarc threatens us with, is also, in my opinion, more probable if the present philosophy: "a little plan, a little market" is continued, than if a radical market reform, combined with a deflationary reorientation of monetary and fiscal policy, is instituted.

I do not deny that the first period of a market shock treatment would be very unpleasant for many social groups, but this is an unavoidable step in our present circumstances. The later it takes place, the higher its costs will be. In a certain sense, we are doomed to such an operation.

Returning to the idea of a consolidation plan, we can of course imagine that it could be—theoretically—a plan for the application of market economic reform. But such a plan appears to be not very probable at this time. Everything points to the fact that this will be, on one hand, another political struggle for developmental priorities, and on the other hand, an attempt to apply an emergency band-aid to economic balance with the help of traditional planning maneuvers.

The foretaste of what awaits the designers of the consolidation plan were the discussions held at the Eighth Plenum of the PZPR CC, at the plenary meeting of the Sejm on 19 September 1988, and during the meetings of the highest union groups. Miners, farmers, metalworkers, etc. demanded priorities for their fields. Prof Wladyslaw Baka, in one of his public utterances, correctly remarked that the Polish economy suffers from an excess of correct goals. I am also afraid that not even the wisest politician or the most skillful planner will be able to unravel this knot of conflicting demands and interests. Only the market, where money votes and not quotations or an auction of catchy arguments, can make a rational verification of developmental priorities.

Nor do attempts at applying band-aids in market balance with the help of planning allocational maneuvers bode anything good for the economy. These are generally shortsighted measures which over the long term do more harm than good. The experience of the notorious economic maneuver of the second half of the 1970's, conducted by the erstwhile government of Piotr Jaroszewicz, has already demonstrated this. Unfortunately, the negative lesson from that period seems to have been forgotten and again there seems to be a desire to shift production from a producer-goods market to a consumer and export market, as if there were no imbalance on the former limiting the growth of final production.

The shortsightedness of these types of maneuvers also lies in the fact that we see the production result only in the form of a larger market supply. However, a simultaneous growth of demand, often on a more than proportional scale, is not perceived. Additional production, coerced in a short period through planning or quasi-planning methods, means, in general, that extra financial and wage incentives have to be offered in the form of income-tax relief, a tax on above-the-plan wages or salaries, cheaper credits, etc.). Frequently it becomes necessary to produce during overtime hours, on non-work days, etc., which requires larger outlays for wages and salaries. Finally, intervention import, sooner or later, must be compensated for in larger export, mostly "supported" by tax reliefs, additional payments, etc. In every case, this has the effect of providing additional impetus to inflation, which is an effect exactly the opposite of that intended.

Parity Commission

The idea of creating a parity commission appeared in the spring of this year when the failure of the price-income operation became evident. It refers to similar institutions functioning in some Western countries, including Austria. Drawing on Western examples does not change the fact that this is a non-market solution, which is a product of neocorporationist concepts, strongly criticized in the West in recent years.

Two kinds of doubts are connected with this plan.

The first, of a political nature, relates to the representational composition of the commission. What is important is that its members have a real mandate to represent the basic social forces and that their decisions be approved by society. Past practice in the functioning of various representative bodies and consultative procedures does not inspire optimism in this regard. Possibly the promised political reforms and the politics of dialogue will bring some progress here, but this is not at all certain.

Another reservation relates to the logic of the economic system. It appears that the correct conclusions have not been drawn from the fiasco of the price-income operation. Its main weakness was not at all the size, range and

proportion of increases, their spacing in time, or the method of compensation on the income side (although the weight of all of these factors cannot be ignored), but the very philosophy of the state regulating the numerical size of prices. The measure of "marketizing" the economy may be, among other things, the range of freely established prices. But this range, as a result of the operation, not only was not widened, but precisely to the contrary, it became narrower.

The notion of achieving price balance as a result of an administrative operation is utopian from many standpoints. It does not take into account the natural informational barriers of the central administration, its inherent inertia in reacting to changing market situations, and above all, the inevitable politicization of the price-fixing process, which, in effect, makes prices a social instrument and not an economic parameter. Even if the central organ is able to surmount all of the above barriers and establish price balance, this will be a static, short-term balance. An administrative (official) price is not able to release the long-term, adaptational processes which increase supply.

Of course, in this case, too, we can imagine that the effect of the commission's work would be to negotiate a scenario of the liberalization of prices and wages. But another possibility is more likely—the creation of a plane for the political adjudication of official prices and wage-income guarantees by various lobbies. The difference, as compared to what we now have, will consist of a more open and institutionalized bidding process and the spreading of political responsibility over a larger number of partners. But it is difficult to expect that as a result of this prices would become an elastic parameter of economic selection, reflecting the state of partial balance, the relative scarcity of goods, etc., and that wages would become a motivational instrument.

In addition, under our economic and political conditions, the weakest participant in this struggle for a division of incomes (because that is what the essence of the functioning of the parity commission comes down to), will probably be the state, which will be forced to "patch," with the help of subsidies and the inflationary emission of money, the financial gap which appeared as a result of the need to satisfy the diverse interests of the respective partners. I think that the market scenario creates greater chances of freeing the state from this type of obligation.

Roundtable

In recent months a real explosion of hopes connected with the roundtable institution could be observed. Some see in this proposal a miraculous cure for all of the illnesses plaguing our country, including our economic problems. This peculiar mysticism, in my opinion, is leading the public to expect too much. Another aspect of

this phenomenon is the attempt to involve the roundtable deliberations in a broad range of economic problems, including price-income policies and structural changes. Proposals of this type attest either to naivete or a kind of Machiavellianism. If this group takes up problems of economic policy, it will inevitably lead to maneuvers which will sidetrack it. Maybe in practice this means only the political sabotage of the roundtable idea. Its tasks should include the negotiation of basic institutional reforms in the state and the economy, and the methods and procedures for implementing them.

Insofar as the economy is concerned, this should be a reform of a market character (because both theory and practice have thus far not found another efficient variant of an economic model), supported by a modern system of social welfare, a deflationary money policy, an efficiency-oriented fiscal policy, and the explicit involvement of the state in environmental protection. The evolution of the political system should go in the direction of liberalization (expansion of the range of civil liberties) and democratization (ensuring society's influence on government). Democratization can substantially contribute to market reform, but it will not replace it. Democracy without a market has no chance at existence.

Inconsistent, Unfair Taxes Deemed Barrier to Development

26000193b Warsaw ZYCIE GOSPODARCZE in Polish
No 44, 30 Oct 88 p 2

[Article by Marzena Kowalska: "Treasury Without Imagination"]

[Text] The introduction to the 2-day discussion that began on 20 October in the Socioeconomic Council on the subject of Poland's tax system was unexpectedly written by the Constitutional Tribunal, which announced the day before that the provisions of two orders (Council of Ministers, dated November 1985, and Ministry of Finance, dated May of this year) which regulate the tax on above-the-plan wage increments (ppww), are not in compliance with the 1982 law on the taxing of units in the socialized economy.

"Ppww" is an exceptional tax. It can serve as an example of a mistake in the art of designing taxes. Putting aside the reservations as to its merits, which have been reported since its "birth," we see in it errors of a formal nature, which, it is true, afflict other taxes also. But in this case we are dealing with them in almost condensed form. Its provisions are unstable, extremely extended, complicated and incoherent, and contrary to the old legal principle, are retroactive. Furthermore, they are executive acts and not laws which actually determine the construction of the tax.

The defects of ppww have been talked about for a long time (in our newspaper also). But the decisionmakers interpreted these opinions in quite a perverse way. They

believed that criticism is the best proof of the effectiveness of decisions. Yet statistics gave no reason for optimism. The members of the Socioeconomic Council were also far from optimistic. Usually they express an opinion on draft legal acts which are sent to the Sejm. This time it was different. The council, on its own, took up the tax system, seeing it as the most important obstacle to initiative and enterprise.

In any case, this was not the first time the matter was brought up in this body. Almost a year ago, i.e., in November 1987, when the council deliberated on the second stage of reform, attention was called to the defects in the tax system. The minister of finance in office at that time promised that by 30 June 1988 new proposals would be submitted, which by the end of the third quarter were to be sent to the Sejm so that beginning in 1989 the enterprises could start to function under the new conditions. Sejm sessions have come and gone and the tax system, which was regarded as the skeleton around which economic decisions are built, is still looked upon with enormous reservations. We have even become accustomed to the charge of extreme fiscalism.

It is not easy to delineate the boundaries of a state's fiscal policy, and volumes have already been written on the subject of efficient financial systems. And although there are those—not state-treasury officials but scholars and financiers, who call the wave of criticism an antitax hysteria, it is hard to deny that our tax regulations have many defects of a formal as well as a conceptual nature. This stems in large measure from the fact that they were formulated without a clearly defined vision of the social and economic goals which they were to serve, that the goals were not clearly formulated and that preferences were dictated by current needs. But it was not that side of the tax reality which drew the attention of the members of the Socioeconomic Council. Rather, they concentrated their attention on its effects as an inefficient tax system, created without imagination or a vision of the future.

Material on tax policy, prepared by an Association of Polish Accountants task force under the chairmanship of Jerzy Sablik, turned out to be helpful. This 80-page report is a kind of compendium of information on taxes now in effect in the socialized and private economy, taxes on wages and salary, and taxes on personal assets. The proposals ensuing from this material, enhanced by opinions expressed in discussion, were embodied in the position of the Socioeconomic Council.

It is stated in this position that taxing of the economy after 1982 was characterized by considerable variability and instability. This applies to both the tax law and the executive regulations. The tax system, in the opinion of the council, is characterized by extreme fiscalism which leads to the ruination of economic organizations, and the gradual disinvestment in the assets of the enterprises has

impeded the developmental potential of modern production which is based on the latest technologies. Taxes, as was written in the position, became one of the main obstacles to the development of innovation, enterprise and the growth of production of products intended for the market. The tax relief system, however, in many cases supported the weaker enterprises and saved operations which were economically unjustified.

This not the first time that the Socioeconomic Council has signalled a problem with taxes. A month and a half earlier a working team of the council, in an opinion sent to the Extraordinary Commission of the sejm, in assessing the reform measures of the previous government, wrote—and this, too, referred to the tax system—that work must be urgently begun (by 31 December 1988) on a drastic elimination of superfluous and excessive regulations. At the same time, a law must be passed which would greatly limit the number of legislative bodies empowered to issue executive regulations and the practice of formulating regulations which are retroactive must be banned. The rule would be that acts not announced by 31 October cannot be binding upon economic organizations in the following year.

The council in its position dated 21 October 1988 drew up some far-reaching proposals. It is said there that the thinking on taxes and the state's financial and budgetary policy must be changed. This suggestion was expanded in the statement made by Franciszek Gaik, who said that during the last 6 years the tax system has been a real obstacle to development. Tax decisions did not contain a stimulating function. They were designed to reduce demand and alleviate the effects of a budget deficit. Because of this, differences between the banking system and the treasury became blurred. The tax mechanism became, as Wiesław Koziol observed, an instrument which encouraged extensive management of resources.

Regardless of the arguments employed, all of the discussants agreed on one point—taxes should be subject to a supply-oriented strategy, and in any case should not discourage development and expansion. To put it briefly, the change cannot be limited only to implementation of the otherwise rational principle that expenditures must be adapted to incomes and not the reverse, but the change should also require that complementary decisions be made which apply to the state's financial policy, tax policy, budget and credit policy and the banking system as a whole.

On the more detailed issues, most of the attention was given to income tax. As was said, the 65-percent tax rate now in effect is a manifestation of a discriminatory policy and there were also those (e.g., director Adam Junka from Dywila) who talked about superfiscalism and the expropriation of enterprises by the state treasury, having in mind other encumbrances to the budget, which, it was calculated, exceed 80 percent.

In the discussion various concrete proposals were made regarding the fixing of a tax rate (up to 50 percent, and for low earning capacity activities, up to 30 percent). However, in the position which was taken specific figures were avoided. It was decided that only the desirable courses of action would be presented and, as the deputy chairman of the council, Jerzy Sablik, said in the introduction to the meeting, public pressure should be applied to make basic changes in tax policy. The discussion was limited, therefore, to saying only that it is necessary to reduce the income tax rate, stressing here the importance of comprehensive simulation studies. It was also proposed that together with a reduction of the tax burden, the minimum allowance for the development fund should be increased and the ability to utilize the increased funds for consumption purposes must be restricted.

The council is of the opinion that regardless of the mitigation of the income tax, simplified forms of taxation which now cover private factories operating on a small scale, should be retained, and they should even be extended to all small economic units, without regard to sector. It was possible, therefore, to avoid hastily formulated but resounding, in some speeches at the council meeting, slogans about applying the same taxation rules to all economic organizations. Studies have proved that this may do more harm than good.

A great deal of place in the discussion was devoted to the rules for taxing enterprises, and particularly the income tax. The position taken, however, applies also to other forms of encumbrances. When referring to the sales tax, the necessity to observe several tax rates provided in the law is stressed. The articles taxed according to the higher rates, along with luxury articles, must be clearly described, and finally the need to gradually shift the collection of a sales tax to the sales area is stressed.

In the opinion of the council, the farm tax does not need to be changed, either as to how it is constructed or as to its amount. However, in simplifying the tax system, it is important to introduce a tax on personal incomes. It should replace the tax on wages and remuneration, the compensation tax, and the ppww tax. But it was indicated that to be applied its rules must be readable and the calculations must be simple and understandable to the taxpayer.

The council likes the progressive character of taxation, but the range proposed in the position taken (from 8 to 50 percent) is much more lenient than that preferred by the Ministry of Finance in the draft which has not yet been submitted for public consultation, but only to a rather narrow group of specialists where, it must be said, it did not get the best reviews.

The council in its opinion, therefore, expressed the generally prevailing nostalgia for a simplification of the tax system, and a limit on the number of items to be

taxed. Attention was also called to the probably underrated need to put the matter of questions connected with the regulating of tax obligations, executive procedures, etc., in order, and in the near future to create a new law regulating the general tax law (we wrote about this in this newspaper, issue No 40, 1988, recalling the good experience connected with the 1934 tax ordinance). This thread of thought also appeared in the speech made by the dean of the District Chamber of Legal Councillors in Warsaw, who spoke of the need to codify the tax law and even the financial law. These are proposals for the more or less distant future. Today, however, according to the council, we should make revisions in the settlement of tax accounts for 1988, and especially the ppww and stabilization tax.

It is difficult to foresee what effects the position taken by the Socioeconomic Council will bring. Even its authors probably do not expect quick results, especially since they were greeted with silence by the representatives of the Ministry of Finance, headed by deputy minister Jerzy Napiorkowski, who listened to the deliberations (the first day only). They did not refer to the charges made, nor did they speak on the subject of the feasibility of the proposals submitted. This reaction is somewhat understandable at a time when personnel changes are underway in the ministries and perhaps it is even better than promises which may not be kept.

Therefore, it is hard to predict whether the impatience shown more and more frequently at council meetings will once more make itself known. That is how it was in July of this year (see ZYCIE GOSPODARCZE No 29) when there was a protest that the critical opinions expressed were being ignored and that the institution of public consultation was being regarded as mere formality. A similar opinion was expressed at the beginning of the recent 2-day meeting. Henryk Witkowski, a brigade member from L. Warynski Factories in Warsaw, did not conceal his surprise and indignation that the council, as a consultative organ to the Sejm, met after a 4-month recess, without expressing itself at a time when the country's life was in crisis (as chairman Tadeusz Porebski explained, there were problems in assembling all of the members during the vacation period, and time was pressing).

The applause that H. Witkowski received showed that most of the people in the Socioeconomic Council thought similarly. Perhaps it was these moods which determined that the discussion was not very lively. This was felt to a lesser degree in the part of the meeting concerning the draft law on doctor's self-government (we will give this more space in one of our issues in the very near future), and to a greater degree when taxes were discussed. Not without importance, too, was probably the fact that the wave of criticism has struck the building on Swietokrzyska St. more than once, but without perceptible effects. It was difficult, therefore, to expect some spirited polemics.

**Economists View Wage-Price Freeze,
Centralization Issues**

26000193a Warsaw ZYCIE GOSPODARCZE in Polish
No 44, 30 Oct 88 p 11

[Text] In mid-September a discussion on the subject of wages was held at the executive board headquarters of the Polish Economic Society. In the introduction to the discussion, the following questions were formulated: Would it make sense, under present conditions, to freeze wages? Can their growth rate be more effectively regulated, and, if so, how? In halting the growth rate of wages, can we induce people to work more efficiently, and, if so, how? Is the present stratification of wages conducive to reform and social order or not?

In that part of the exchange of opinions which pertained to freezing, the talk was primarily about the need for honest and full information on changes in nominal and real wages. Without knowing these facts it is hard to understand and judge both the pressure on wage growth and the drop in motivation to work. Attention was called to the long-lasting, unfavorable shaping of real wages and the recent sharp growth in the cost of living. Many discussants spoke with great anxiety about the sudden rise in nominal wages and the growing demands for further increases.

Nevertheless, almost everyone was against wage-freezing, and also price-freezing, measures because this might bring about a decline in supply. That, precisely, has been the effect of all past attempts to administratively halt the growth of wages (a 12-percent threshold, a tax on above-the-plan wage increments). The plan to freeze wages was also judged to be unrealistic under the present sociopolitical conditions and the organizational inability to carry it out.

There was opposition also to the thesis about the definite influence of the wage growth on the size of inflation, pointing to the systematic decline of wages' share in the costs of manufacture.

A few practitioners suggested changes in regulating the wage fund by tying its growth rate to the growth rate of production, profits, or the earning capacity of enterprises. It was generally believed essential to discontinue the tax on above-the-plan wages in favor of a properly drawn-up income tax and the taxing of private incomes.

The subjective reasons for the extreme growth of wages were sought in both the central authorities and the enterprises. The central authorities were unanimously accused of not having a clearly defined wage policy, of being too liberal with reliefs, and making concessions which reinforced demands for compensation. In evaluating the enterprises, the representatives of science pointed to the weakness and tractability of their leadership. On the other hand, the representatives of the practitioners spoke of sham self-dependence, of the incapacitation of the directors by regulations, about

internal pressures, about employer competition for employees (outbidding), etc. The rises in the cost of living, it was said, force the enterprises to raise wages a couple of times during the course of a year, regardless of the work results achieved. The entire problem, therefore, comes down to selecting the best time to grant an increase and to "finding" the money for it.

In the discussion, the strong influence of past mistakes in wages (their low level and the long-term decline of real wages, the incorrect ratios, too much consideration given in them to political and social factors, etc.), on the decline of motivation and professional prestige and the breakdown in the work ethic, was underscored.

The failure to take advantage of the opportunities which resulted from the application of plant wage systems was pointed out. In practice, the decisions became mired in outside-the-plant compromises. The striving to maintain a status quo or adapt the new methods and instruments to amounts and ratios set by higher authority prevailed.

No one today is courageous enough to demand of the workforce that in return for a wage increase it must produce more. Wage increases are generally regarded as compensation for the rising cost of living.

The necessity for a brighter outlook for wage increases and wage stabilization was indicated. The fluctuations, sometimes very great, in the monthly wage—depending on the changes in the rules for the creation of a wage fund; on the strategy—or rather, on the tactics—of the enterprises in obtaining these funds; and on the success of their adjudication with the authorities—destroy the rest of the connection between wages and work. The disarray in the labor market, the blackmailing of factories with the threat of quitting a job because of the ease with which another can be gotten, is also a very important factor in the breakdown of employee morale.

Various suggestions were made to improve the situation. It was proposed that a manager-system be introduced to manage wages, that the powers (and salaries) of middle supervision be increased, that wage increases be granted on an individual basis, and that prizes and bonuses be made confidential. No one referred to any positive nonwage incentives, although in solving many social and political problems, the strengthening of work discipline was seen as a condition. Unemployment, it was said, may be a disciplining tool, but the possibility of applying it immediately is not very realistic.

During the discussion, the need to take a different approach in evaluating the differences in wages between sectors and within plants, and between branches and occupations, was brought up. However, in all of these cases, large, important and growing disproportions appear.

The main attention of the discussants focused not on intraplant stratification, but on interplant stratification. The destructive influence of spontaneity in this area was pointed out, which is conditioned, on one hand, by the possibility that a wage increase (not justified by productivity) can be granted independently in some enterprises, and on the other hand, by the expanded system of reliefs granted, as was said, quite randomly.

This situation was found to be bad from the standpoint of the disproportions themselves, which sever the connection between wages and economic results, and from the standpoint that they are conflict- and inflation-producing. They not only make it impossible to maintain wage discipline, but they also direct attention and efforts on measures which are completely in conflict with the assumptions of reform (price manipulations, attempts to obtain reliefs). It was emphasized that everyone, always, will be unhappy with every wage stratification, even that which is economically justified. The problem, therefore, is the degree to which these differences are acceptable. In the absence of this today, it arouses general dissatisfaction, criticism, and striving to occupy a better place in the wage ranking by every possible means. Systems-type solutions do not create the rigid restrictions which are so essential, especially when inflation is high.

The representatives of the enterprises spoke out in favor of less central-government interference, which makes the ability of factories to pay wages increasingly different (reliefs, subsidies, taxes, price-fixing) and makes it necessary to indulge in semilegal, and, in any case, inefficient practices (e.g., commissioning services in order to limit wage growth). In perceiving the negative effect of the present wage stratification on labor and production, doubt was expressed also as to whether the central authorities are now strong and efficient enough to reconstruct the entire wage system. Some hope for progress is now linked to the commission on incomes and prices now being formed.

Planning Commission Chairman Defends Role in Evolving Methodology

26000208 Warsaw RZECZPOSPOLITA in Polish
4 Nov 88 pp 1, 2

[Interview with Stanislaw Dlugosz, acting chairman, Planning Commission under the Council of Ministers, by Tomasz Bartoszewicz: "Reform and Plan"; date and place not given]

[Text]

[RZECZPOSPOLITA] Minister, what is it exactly with the Planning Commission—does it exist or is it being liquidated?

[Dlugosz] The central planning agency very definitely exists. Its current responsibilities are outlined in detail in the law on planning. In keeping with the request by Prime Minister Mieczyslaw F. Rakowski, work is being

done on the next stage of evolution in the system of socioeconomic planning in Poland under the conditions of accelerated implementation of the economic reform, as well as work on the new premises for organizing a state agency which will handle planning work.

The evolution of methodology must proceed simultaneously with the evolution of the concept of planning. This is based on switching from specification planning, characteristic of the command-and-allocation system, to more strategic planning, which reconciles criteria for socioeconomic choices with existing and projected development opportunities in the context of knowing the domestic situation and the external environment.

I would like to mention that many columnists talking about planning and planning agencies in Poland have somehow failed to notice profound changes both in the planning procedures themselves and in the degree of socialization of these processes. Also, they have not noticed changes underway for several years in the apparatus handling planning, caused by, among other things, the socialization of this process.

[RZECZPOSPOLITA] In your opinion, what is the content of the notion of planning under new conditions?

[Dlugosz] I mean by this first, the issue of socioeconomic projections and programming; second, building draft annual, medium-term, and long-term plans, given that by "building" I also mean complex methodological issues.

[RZECZPOSPOLITA] The methodology of planning is definitely a very esoteric field. However, do these two points exhaust the notion of planning?

[Dlugosz] No, there are still further points. I also include the analysis of economic instrumentation in the work so interpreted. Such instrumentation does not have to be developed inside the planning agency. However, this agency should study it in order to ensure its compliance with the goals and premises of the plan. In addition, there are various fields of operation such as the restructuring of the manufacturing potential, investments, etc. Under the rightly introduced decentralization, there should be a center in the planned economy which drafts, but does not itself determine the sequence of pursuing economic priorities from the social point of view, as well as from the point of view of the actual situation in which, as a rule, the needs exceed by far the financial and material resources.

Finally, there is one more issue. As a CEMA member, we are a country with a planned economy. Therefore, we are bound by various bilateral and multilateral agreements on the coordination of five-year plans, thus far the main instruments of molding our economic cooperation. It should be noted at this point that Poland was one of the CEMA member countries which proposed in the forum of this organization to make the coordination procedure

most flexible, as well as to gear the instruments of cooperation to economics, so as to adapt them to our reform, based on the principle of enterprise autonomy.

On this occasion I would like to note that, as I see it, economic cooperation with the CEMA countries, including, for obvious reasons, primarily the USSR, remains the main sphere of economic cooperation with foreign countries, on which the reinforcement of development trends in our economy will depend.

[RZECZPOSPOLITA] Could you communicate to our readers what the Planning Commission is handling currently?

[Dlugosz] I would mention three main issues. Firstly, we are working on the draft plan of consolidating the national economy, the basic theses of which were considered by the party leadership, and the outline was already published in our newspaper on 3 November. We want to draft the most important directions of the turnaround in our economic policy proceeding from the socioeconomic priorities outlined in the prime minister's presentation in the parliament. It appears to me that the main instrument of the turnaround is found in the radical removal of all barriers, large and small, in the way of developing economic operations in all sectors, based on efficiency resulting from industrial or commercial accountability.

We are working on the draft of the Central Annual Plan for 1989. Certainly, we are cooperating with all those interested in building in the plan in the course of this work, which at this time is preparatory in nature. We also use social consultations on a broad scale. It is understandable that the future course of work on the central annual plan for 1989 will be influenced by statements in the plan of consolidating the national economy, including first of all suggestions for radical changes in systemic principles which will be reflected in this plan.

[RZECZPOSPOLITA] In view of this, what about the revision of the national socioeconomic plan?

[Dlugosz] In light of the premises of the consolidation plan for the national economy, it is understandable that changes will be needed in the National Socioeconomic Plan, which is in effect through the end of 1990. These changes will obviously be submitted to the parliament.

[RZECZPOSPOLITA] As you have mentioned, changes in the National Socioeconomic Plan will be the result of shifts in priorities. What are these about?

[Dlugosz] As Prime Minister M. F. Rakowski announced, the development of agriculture and the food industry, housing construction, and environmental protection will have to be priority areas. It is understandable that a vigorous implementation of scientific-technical progress is one of the conditions for carrying this out. I

would also like to quote the words of the prime minister who noted that "the success of all economic plans depends on the development of profitable exports."

Finance Minister on Municipal Property, Taxes, Subsidies, Investment

26000209a Warsaw ZYCIE WARSZAWY in Polish
4 Nov 88 pp 1, 6

[Article by Krystyna Milewska: "What Will the Financial Policy Be?"]

[Text] On 3 November, Minister of Finance Andrzej Wroblewski met with journalists in order to inform them about the directions of financial policy in the immediate future.

Unfortunately, any change in the financial policy necessarily upsets the existing balance of interests. The question arises about what is next for the state budget and the economic-financial system, and, especially, the taxes.

It is necessary to stay within the confines of the planned budget deficit. Minister Wroblewski assessed the current situation in this matter as good. However, the next year's situation is a question. If all decisions made this year are taken into account, then the deficit in the next year will come to over 1.5 trillion zlotys, to which about 600,000 billion should be added for servicing the foreign debt. Subsidized prices, mainly in the food and agricultural complex, claim about 30 percent of the state budget, estimated to be about 11 trillion zlotys. Social welfare expenditures and funding for culture account for over 20 percent. The budget allocates well over 100 billion zlotys for investment alone. Investment projects of people's councils, such as hospitals, schools, communal investments, account for 15 percent. Repayment of investment loans is also a part of investment expenditures. In principle, there is little room for maneuver. After all, the financing for housing construction comes from the budget. Given the current credit allocation to such construction, making the interest rate on savings accounts more realistic inevitably places an additional burden on the state budget.

Financing the entire municipal sector is one tremendous problem. The larger the floor space of one's apartment, the more budget subsidies he uses. There is a paradox in this matter: the state gives the highest subsidy to those who have the most convenient housing, and subsidizes the least those who live the worst.

Expenditures for health care are the next problem. The question is what share of these expenditures the ZUS [Social Security Agency] could and should fund. Reimbursements for medicines are the next issue. Any increase in prices for medicines, necessary from the point of view of the pharmaceutical industry, increases subsidies from the budget. It covers about 70 percent of the price of drugs. It should be noted at this point that a good share of medicines are products for private exports.

At present, subsidies are the most difficult problem. We should switch over to product-specific subsidies, introduce fixed-level subsidies and contract prices, because only at this point does the process of demonopolization begin. For example, milk subsidies have already reached 800 billion zlotys and 200 percent of the retail price. Overall, subsidies are greater than the total of turnover tax. The introduction of product-specific subsidies will undoubtedly promote differentiation in the economic situation of producers, but it may also bring about different prices for products in different parts of the country. Obviously, this issue touches on price policy, and is a very sensitive social question. Nonetheless, we cannot shrink from this issue.

If we look at the side of proceeds for the state budget, the turnover and profit taxes provide the main revenue. The policy of proceeds hinges on the policy of expenditures. After all, enough revenue should be taken in in order to cover expenses. The turnover tax is also in need of streamlining—at present, there are 400 rates of it. The Fund of Foreign Debt Servicing is yet another problem; from the point of view of enterprises, this is a tax; on the other hand, the state must pay the debt. Certainly, introducing additional tax [categories] is not a sensible policy; excessive reliance on fiscal policy does not encourage thrifty management.

Minister Wroblewski is of the opinion that the profit tax should be made uniform by patterning its design on the system of profit tax in effect for the nonsocialized sector. This involves the problem of the entire economic and financial system of economic units. We should tie this to the institution of the state treasury. In this case, the enterprise is created by receiving initial capital. It would be obligated to pay dividends on the capital entrusted to it. Then, the rate of taxation could be reduced. Undoubtedly, such a system would force a greater interest in profit on the part of the enterprise. However, introducing these changes calls for amending basic laws. The issue of accumulating funds for remunerations is still current. Minister Wroblewski sees no opportunity for switching to a system of comprehensive taxation of income of the populace before 1990, primarily because of purely technical considerations.

In the next segment of the meeting, the minister responded to questions by journalists. They involved, among other things, the budget deficit. The head of the ministry believes that increasing the deficit under our conditions gives a great boost to inflation, and we cannot go down that road. The dual currency use in the economy is yet another problem. At this moment, on top of the PEWEX [Internal Exports Enterprise], 100 other units have permits to carry out currency transactions, and as many are waiting for such permits. This jacks up the black-market rate of the dollar. The question arises of switching to the use of a single currency, while introducing a currency exchange of sorts for the economic units. However, it is hard to estimate the shock this would produce in the economy.

It followed from the meeting that the current minister of finance is quite cautious in offering an appraisal of various economic and finance concepts. Essentially, the finance policy hinges on many highly sensitive social issues. Besides, its consequences are very hard to predict, especially when the necessary changes are cumulative.

New Customs Import Tariff Aims To Lower Prices

26000218c Warsaw RZECZPOSPOLITA in Polish
17 Nov 88 pp 1-2

[Article by (mk): "New Import Tariff"]

[Text] In the coming year, a new import tariff for commercially imported goods will apply. This is an important issue for over 3,000 [units] entitled to engage in foreign trade.

The tariff currently in effect (since 1976) embraces 2,170 commodity groups and items. The new tariff, structured according to the harmonized system of marking and coding products, introduces a new nomenclature taking into account technical progress. It also represents a common language for the states using this system.

The decree of the Council of Ministers on customs duties was published in DZIENNIK USTAW No 35 on 12 October 1988. However, as the director of the Bureau for Commodity Circulation I in the Main Customs Administration, Wieslaw Skwarek, stated at a meeting with journalists on 16 October, not one enterprise licensed to engage in foreign trade had taken any interest in rates which would apply as soon as in a month and a half, despite prior notice on the publication of a list of new tariffs. In turn, requests for information have come from foreign companies and offices of Polish commercial attaches.

It is worthwhile to start becoming familiar with the new tariffs as soon as possible—they are mandatory and, in principle, the same for all those who have been granted a foreign trade license. In preparing the new schedule of duties, care has been taken not to increase the rates in effect. Some of them will even be reduced—for highly upgraded producer goods (including the means of production for industries making products for agriculture), the amount of duties was lowered from 20 to 40 percent of value to 10 to 25 percent.

Also, the duty on raw materials, e.g. metal ores as well as agricultural raw materials, will be reduced. The duty on imported cars, computers, machine tools, agricultural machinery, photocopiers, drugs and paper will also be lower. In general, import duties will increase in the case of products manufactured in Poland, e.g. nonleather fur skins or fur garments.

Finally, the most important issue—why is the tariff being changed and what will this do for the average citizen of our country?

Responding to this question, director W. Skwarek stated that our position in trade negotiations with countries—members of the GATT—will improve.

As far as benefits for average citizens are concerned, it may be said, in brief, that lower duties mean lower prices. Consumer goods will cost exactly that much less. A reduction in the overall cost of a modern piece of equipment or raw materials purchased abroad, due to a reduction in customs duty, should also be reflected in the price of final products.

Changes in Agricultural Policies Noted

26000209b Warsaw RZECZPOSPOLITA in Polish
5-6 Nov 88 pp 1, 5

[Article by jez.: "A New Philosophy for Managing Agriculture"]

[Text] A press conference by the new Minister of Agriculture and the Food Industry Deputy Prime Minister Tadeusz Olesiak on 4 November was devoted to achievements and plans in this sector.

"I am a member of the government that says little and tries to do as much as possible, and I will keep to these principles," said the deputy prime minister in the opening statement.

Here are the accomplishments within a short period after the change of leadership in the ministry. Three hundred regulations were cancelled, and it turned out that nobody in the field needed them. People employed at the ministry now have more time for productive work.

An important government decision on demonopolizing the procurement and processing of agricultural products has been made. However, the deputy prime minister cautioned that the results of this decision will depend on how the people "below" embark on carrying it out. However, a realistic opportunity to reduce the cost of transportation and losses in food processing has emerged, and, therefore, an opportunity to reduce subsidies and also improve product quality.

Farmers have received with satisfaction the decision on a seasonal reduction of prices for fertilizer and insecticides. Among other things, a pick-up in traffic at the warehouses of gmina cooperatives testifies to this.

The decision on raising the procurement prices for agricultural products (by 16 percent on the average, retroactively from 1 July of this year) was received in rural areas with still more satisfaction. Prices for animal products, i.e., milk, slaughter cows and slaughter hogs are going to be increased by a much greater margin. The increase in procurement prices should slow down the drop in cattle herds and hamper the declining trend in hog breeding. Overall, it will facilitate an increase in production, which, after all, is a condition for expanding

demonopolization, and should begin to create a foundation for abandoning in the future the rationing of meat and processed meats. At the same time, the decision to raise procurement prices reduces the income disparity of agricultural and nonagricultural populace to the 96:100 level.

It should be noted that old food prices remain unchanged. However, in the longer run, an effort will be made to reduce the gap between procurement and retail prices more and more, so that both these categories of prices could ultimately become free, i.e., market, prices.

Discussions on the plan of consolidating the national economy are underway. Even now it can be expected that they will result in, among other things, creating more favorable conditions for the development of industries supplying the means of production to agriculture, as well as the food industry. Corresponding changes will be taken into account in revisions of the Central Annual Plan and provisions of the National Socioeconomic Plan.

The new government shows great appreciation of the needs of agriculture, as well as of the fact that reinforcing this sector of the economy opens an opportunity for many other manufacturing industries to develop. However, a lot will have to change, especially in the field, where ossified structures impeding progress survive here and there. They will be eliminated vigorously, even by unpopular measures.

Responding to specific questions by journalists, Deputy Prime Minister Kazimierz Olesiak revealed on this occasion the new philosophy of management in the Ministry of Agriculture, Forestry and the Food Industries. Thus, the ministry will stop being "the great teacher" instructing farmers when, what and how much to plant, but will implement a farm policy serving the interests of agriculture, and, by this token, the entire populace.

ROMANIA

Shortcomings in Training of Agricultural Specialists

27000014 Bucharest ERA SOCIALISTA in Romanian
No 16, 30 Aug 88 pp 12-14

[Article by Sabin Nica: "Thorough Training of Agricultural Specialists"]

[Text] Romania's economic and social progress, at the parameters set in the program documents of the 13th Party Congress and the National Party Conference, depends upon uniform, harmonious, and balanced development of all sectors of the national economy. Accomplishing the economic and social aims of the new agrarian revolution is vital to meeting that basic requirement for our society's progress on the path of socialism and communism.

The party and state documents make it entirely clear that in addition to intensive development of the productive forces, better organization and management of production on a scientific basis and with consistent application of the principles of economic-financial self-administration and self-financing are indispensable to formation of a modern, highly productive agriculture with high labor productivity and high economic effectiveness. As Nicolae Ceausescu said in his report to the National Party Conference in December 1987, "We must resolutely continue to develop socialist ownership by constantly applying the principles of self-management and self-administration and to enhance the responsibility of the workers collectives as owners and producers for the management of part of the general national wealth entrusted to their use."

Accordingly, scientific organization and management of agricultural activity as a whole as well as on the levels of the counties, the unified state and cooperative agroindustrial councils, and the production units and subunits is an objective necessity as well as a basic way of accomplishing the objectives of the new agrarian revolution. That necessity is most cogently demonstrated by the experience of many state and cooperative agricultural units. Such units in all areas of the country have similar production conditions as regards soil and climate as well as material, manpower, and financial resources, yet they obtain quite different yields and economic-financial results. Therefore, it is abundantly clear that the differences in the results obtained lie solely in the way their economic activity is organized and managed and in the ways their existing resources are managed and their outputs are recorded and exploited.

As a main way of accomplishing the aims of the new agrarian revolution, scientific organization and management of economic activity in agriculture, a regular effort is made to constantly apply the principles, methods, procedures, and techniques established by the science of management to the specific conditions in the various sectors of production according to each sector's particular aspects and the objective requirements and assigned production tasks as well. Scientific organization of the agricultural economy accordingly means purposeful action to develop that sector, in its entirety and in its components as well, up to the level of the production units and subunits on the basis of knowledge and use of the general and particular objective laws as well as the distinctive features of agricultural production, always allowing for the actual situations in each sector and at every work place.

Scientific management of the agricultural production units and subunits will secure good correlation of all activities in those productive components as well as rational management of the material, manpower, and financial resources in order to increase the yields and labor productivity, lower costs and accordingly enhance economic effectiveness. The specific aims of scientific management of the production units and subunits

involve the multitude of technical, technological, organizational, economic, social, psychological, and other factors directly or indirectly involved in the more efficient performance of the entire economic activity.

In view of the necessity, importance, role, and aims of scientific management of economic activity in agriculture, it must be noted that such management requires a thorough and comprehensive professional training of all agricultural specialists who have authority and responsibility in production organization and management on various hierarchic levels. Regardless of their qualifications and roles in the production process, they all must have a thorough political and ideological training as well as high technical and technological qualifications and an in-depth knowledge of party and state policy, especially in their fields, and of the economics, organization, management, planning, financing, recording, and exploitation of production.

The economic training of the agricultural specialists (agricultural engineers, truck gardeners, water regulators, veterinaries) is not only an objective necessity determined by the real needs of agricultural practice but also a critical requirement for efficiency in all production sectors. The need of such training in the process of education and instruction has been repeatedly stressed by the RCP and Nicolae Ceausescu, who says, "In the schools and in higher education youth, pupils and students, must learn and know well not only technology but also the economic problems, the problems of economic effectiveness, and those of material inputs, and all that has to do with intensive growth of the national wealth."

Forming economic thought and behavior and arming all personnel for that purpose with adequate knowledge of the economics and efficient organization and management of material production have an important place in the whole process of training the future personnel and specialists for all activities including agriculture. In bringing out the need for this training of specialists in all sectors of the national economy, Nicolae Ceausescu said in his speech at the Working Conference on Economic Problems of the RCP Central Committee in April 1987 that we need good specialists with advanced technical and professional disciplines in management of all production sectors, but we also need "people with advanced knowledge of economics, finance and labor management, and organization," because no one can be a good manager in any sector without that knowledge.

Nicolae Ceausescu's speeches at the Plenum of the National Workers Council and the Expanded Plenum of the National Council of Agriculture, the Food Industry, Forestry and Water Management in February 1988 include some exceptionally important directions for the economic, organizational, managerial, and financial training of technical specialists. The party secretary general says, "We must pay more attention in education

to the problems of managing and organizing the enterprises' socioeconomic activity. The engineers and specialists in all fields must acquire a number of disciplines in college and even in high school and must know what it means to organize a section, a sector or an enterprise in their entirety."

Complete, harmonious, and balanced correlation of technical and technological training with that in the economics, organization, and management of production is vital for specialists when we consider that they are entrusted with the management of production sectors or farms from the first years after they complete their university studies. Sooner or later, due to the nature of agricultural production organization, all specialists in that economic sector are assigned some management function, beginning with chief of a farm and culminating in responsible jobs in various local or higher decision-making organs and bodies. Accordingly, the agricultural specialists' thorough economic training and periodic retraining are urgently demanded by the very work in organization and management that they are doing. Moreover, some studies show that over two-thirds of the total available time of the chief specialist of an agricultural crop or livestock farm is spent on solving problems of supply, recruitment of the labor force, organization, management and exploitation of production, statistical work, etc.

As for the specific economic problems of agricultural crop and livestock production, of course the agricultural specialists must first of all have a thorough knowledge of the party and state's agrarian policy, which they are expected to apply consistently in practice. Moreover, for purposes of efficient management, they must know in depth the problems of the economic effectiveness of the material and manpower resources used in productive activity, and they must have the necessary knowledge to use all categories of resources more efficiently.

Their economic training must provide the specialists with thorough knowledge of organization and combination of the various production sectors, geographic distribution and zoning of production (of crops and livestock species), and concentration, specialization and cooperation in production, all on both the macroeconomic level and on the level of the production units. As the future managers of agricultural production, the specialists must also be very familiar with all questions of its formation and distribution on the basis of the total physical output, the net output and the profit, sale of the output domestically and for export, production costs, unit costs and profitability of the agricultural products, as well as the content and performance in practice of the new economic-financial mechanism.

Since the major aim of the new agrarian revolution is to considerably increase the yields per hectare and per animal with high effectiveness, economic training is expected to provide the specialists with specific ways and

means of obtaining and further enhancing economic effectiveness for all categories of products in keeping with the specific production conditions.

In the field of management of production, regardless of the given hierarchic level, the agricultural specialists must know first of all the principles and requirements of scientific management, which they are expected to apply strictly and creatively. Furthermore, scientific management of production requires all specialists to acquire a detailed knowledge of the functions of managerial work, namely diagnosis, forecasting, organization, decision-making, coordination, and control. Mastery of the methods and instruments used in managerial work is a major demand upon training in that field, a demand that is also occasioned by the generalization of the principles of self-management, economic-financial self-administration, and self-financing in the practice of our agricultural units. This also applies to the problems in connection with the functions of the organs and bodies for democratic collective management of productive activity on the macro and microeconomic levels. Under the present conditions and particularly in the future, managerial training will accordingly also provide for mastery of the appropriate disciplines for transition to the automated system of production management by means of electronic computers. The disciplines for scheduling and planning production for various time limits (long-range, current, and immediate) are also of the greatest importance.

Since organization of production and labor is essential to scientific management of economic activity, the agricultural specialists need intensive training in order to solve problems like rationalizing the organizational production structures and dimensions of the units and subunits; rationalizing the sectorial production structure and its equipment with various production means, manpower, and other resources; prudent organization of agricultural land; rationalizing the systems for raising crops and livestock; rationalizing the labor processes; scientific standardization of labor in crop and livestock production; remuneration for labor in crop and livestock production; technical-economic analysis of work done in the course of 1 year of production, etc.

Scientific organization and management of agricultural production is actually inconceivable unless the agricultural specialists know the problems related to the information systems of the activities performed and have an adequate grasp of the questions of agricultural recording and statistics. The quality and efficiency of the decisions made in agriculture on various levels directly depend upon the volume and quality of the information from the field, on which those decisions are based. Good knowledge of the various categories of information and competence in using and transmitting them to the higher authorities are the most important factors for efficient organization and management of production both on the levels of the counties and of agriculture as a whole and on that of the production units and subunits.

Therefore, in the course of their work the agricultural specialists with technical training collaborate closely with the agricultural economists, jurists, and other specialists involved in the efficiency of economic activity in agriculture. They must also have an adequate knowledge of the problems of financing and crediting production as well as other particular economic problems and problems of agrarian legislation and social aid.

An objective evaluation shows that in general the current plans for professional instruction of students in higher agronomic education meet the foregoing requirements. In making this point we must note that in our opinion the activity in the disciplines providing the future agricultural specialists, or the future managers and organizers of production, with the needed knowledge of the economics and scientific organization and management of production is satisfactory, but it does not fully meet the current and long-range demands of intensive agricultural development, especially since the productive activity in all the state and cooperative agricultural units is based on self-management, economic-financial self-administration, and self-financing.

In view of the objective requirements of our agricultural development and Nicolae Ceausescu's directions about the need for improving the economic training of technical personnel in all fields of material production and especially of those in agriculture, we think it will be necessary first of all to further improve the contents of the current analytical programs for the economic, organizational, managerial, and recording disciplines specified in the education plan and possibly to increase the number of hours for some of them, but only if that can be done without interfering with training in the other disciplines of the kind, of course. On the other hand we think the minor problems not very relevant to the actual needs of production and the descriptions of the historical evolutions of the various economic phenomena should be deleted from the current analytical programs for the economic disciplines, since those programs for all the disciplines are to focus on the essential specific problems of current and especially future production according to the aims and policies of the new agrarian revolution.

Secondly, we think all the technical and technological disciplines should take up questions on the economics and organization of production, and particularly those on economic effectiveness and management and rational organization of the material, manpower, and financial resources of production, where that is possible and required by the specific needs of agricultural activity. This applies, for example to the disciplines of mechanization, agricultural technology, plant technology, entomology, plant protection, truck gardening, vineyard and orchard cultivation, animal husbandry technology, etc. Moreover particular economic problems are being taken up now in some of these disciplines on the appropriate levels, and recently more and more dissertations in the

technological disciplines are concluding with a separate section on evaluating economic effectiveness. We feel the favorable experience acquired in this direction must be generalized.

In view of the great diversity and extent of the particular problems in training the future agricultural specialists in the economics and scientific organization and management of agricultural production, as well as the great importance of this training to efficient performance of the managerial functions they will have in their actual work, we think it would be advantageous to consider the possibilities of setting up an additional system for training in the economics, organization, and management of agricultural production, so that during the first two years of apprenticeship in production, when most graduates are not assigned tasks of direct management of the agricultural subunits and work as aides to the specialists who direct those subunits, they will be required by appropriate regulatory enactments to take two examinations a year on problems of management, organization, economic administration, financing and crediting, recording, analysis, technical-material supply, and exploitation. In that way the young specialists could consolidate and supplement with new elements the disciplines that are indispensable to effective performance of the tasks they will be assigned in organization and management of production. These examinations should be organized according to groups of counties, in the presence of teachers from the subject counties and specialists with managerial functions in representative agricultural units, as well as some from the county agricultural organs. Passing these examinations should be required for the specialists' admission to the competitions for the various managerial functions, beginning with those of farm or sector chief.

In economic, organizational, and managerial training, as in any other field of professional training, the disciplines acquired in college or in apprenticeship in production must be periodically and regularly supplemented and enriched (quantitatively and especially qualitatively) with new data from scientific research and from the leading units' experience in production. Accordingly, periodic retraining of agricultural specialists and improvement of their professional training in the economics, organization, and management of production is an objective requirement for basing agricultural management squarely on scientific principles in all echelons of productive activity.

Despite the results obtained in conducting and, in general, in securing the agricultural specialists' professional improvement, we think that in the above-mentioned fields (although in the great majority these specialists have managerial functions) there are still some defects both in the postgraduate courses and in improvement through a doctorate. For instance, no postgraduate course on the problems of economic effectiveness or of

organization, management, self-administration, self-financing, or exploitation of production has been organized in any specialty in agronomic education. Some technological postgraduate courses organized in recent years in the agronomic institutes teach certain disciplines concerning economic effectiveness in the respective field, but in our opinion not in sufficient volume. For example, in the postgraduate specialty "Intensive Exploitation of Agricultural Lands," the discipline concerning economic effectiveness is accorded only 6 course hours and 11 hours of practical projects, although all the students function as farm chiefs at least.

In view of the directions formulated by the party secretary general on the need to improve the economic training of specialists in all productive activities including agricultural ones, we feel it necessary to begin organizing, in every specialty in higher agronomic education, at least two postgraduate courses on the problems of economics, organization, and management of agricultural production: one on problems of the economic effectiveness of use of production resources and of the output obtained, and the other on organization and management of productive activity. These postgraduate courses should be given under the supervision of teachers who, on the principle of integration of education with research and production, are directly associated with the latter and have a thorough knowledge of its requirements. At the same time it would be necessary for the economic institutions of higher education to arrange, at the request of the beneficiary ministries, postgraduate courses for some specialists on problems of domestic and foreign trade in agricultural products, financing and crediting, and economic-financial analysis.

As for improvement through a doctorate, the present system and roster of specialists does not permit agricultural specialists to study and write dissertations on subjects in connection with the economics, organization,

and management of agricultural production, with the exception of graduates in agrarian economics and accounting. At present the doctorate on the respective subjects (the specialty "Agrarian Economics") is organized solely in higher economic education, and agricultural engineers cannot enter this doctorate under the current regulations.

In view of the foregoing we think it would be useful to reexamine and apply the favorable experience of our higher agronomic education, which about a decade ago used to offer a doctoral specialty called "Organization of Socialist Agricultural Enterprises." We note that this specialty was pursued solely by agricultural specialists and that in the course of it doctoral dissertations of vital importance to production were defended by some of the most talented organizers and managers of agricultural units, centrals, trusts and county general directorates as well as a large number of specialists in the higher decisionmaking organs. Moreover, it is interesting to note that in comparison with other such specialties in higher agronomic education, this specialty had the most applications for admission to the doctorate program. We also think it would be suitable to enable both managers of units and subunits and other specialists with responsibilities in agricultural management and organization to improve themselves concerning the problems they face in their work by restoring the doctorate in "Economics, Organization and Management of Agricultural Production" in higher agronomic education.

The whole series of measures and actions that must be taken to improve the training of administrative personnel in agriculture as well as that of all agricultural specialists in matters of the economics, organization and management of production will help to base all activity in this basic sector of the national economy squarely upon scientific grounds and to accomplish the aims of the new agrarian revolution.

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